CANADA

DEPARTMENT OF TRADE AND COMMERCE

FOREIGN TRADE SERVICE

VOLUME 14

JULY- DECEMBER

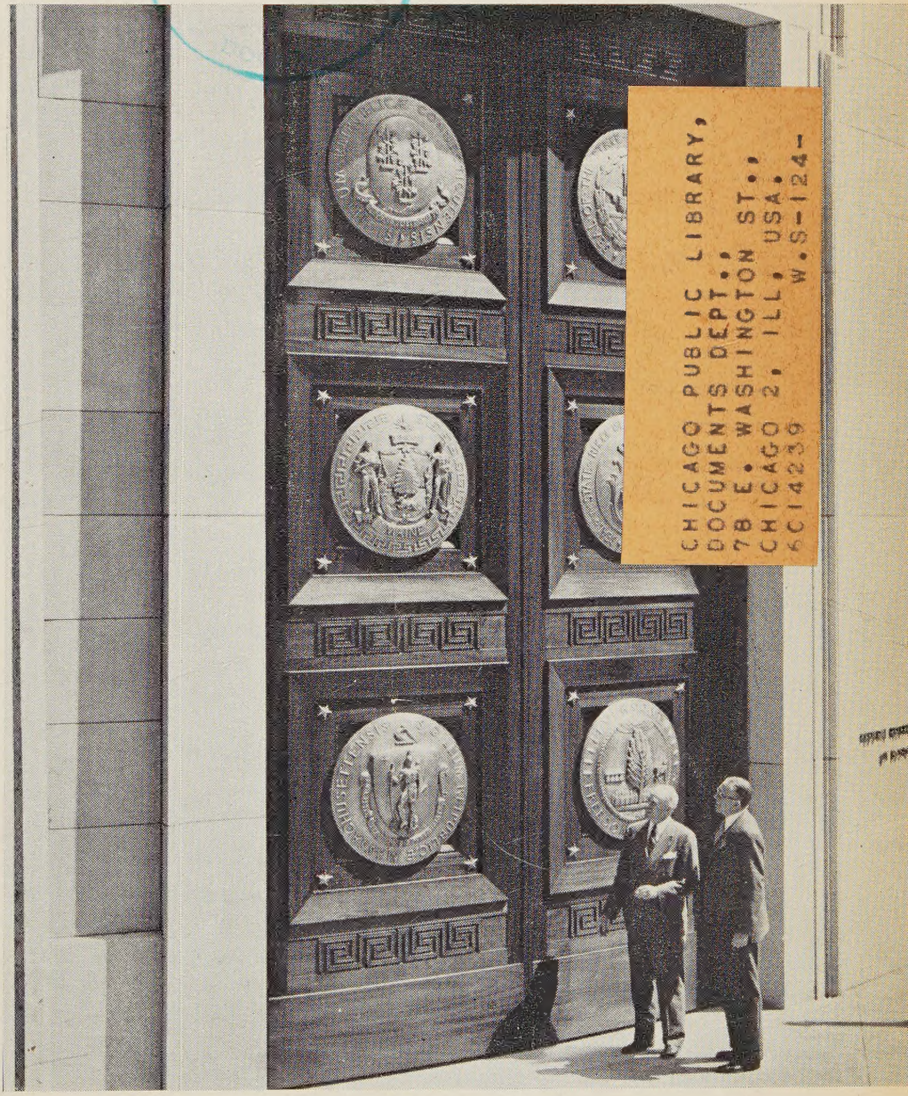
1953

NOS. 340-365

A Copy

foreign trade

JULY 4, 1953



New England's Share in U.S. Business (page 2)

foreign trade

VOL. 14 OTTAWA, JULY 4, 1953 NO. 340

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

New England's Share in U.S. Business

Rejuvenating old-established industries and striking out in new directions—this technique is helping New England retain its place as one of the most prosperous U.S. industrial areas.

BOSTON—New England is one of North America's most highly developed industrial areas. Its strength is reared on a base of 24,000 manufacturing plants, their $15 billion production and $5 billion annual payroll. Despite regional problems—primarily the difficulties facing the textile industry—New England's record in 1952 was impressive and came close to an all-time high. Compared with their countrymen in other parts of the U.S., New Englanders had more take-home pay and 50 per cent more cash in their bank accounts. They spent more money in retail stores, carried more life insurance, owned more telephones, radios, and television sets, and had a higher rate of home ownership. On practically all fronts the economy gave evidence of strength and vigour and a wave of determination to rejuvenate old industries and expand new ones gathered momentum throughout the year.

Trouble in Textiles

The textile industry suffered major distress in the midst of one of New England's periods of greatest general prosperity. June 1952 employment in the cotton and rayon mills was a third lower than in January 1951; payrolls were down 39·9 per cent. Much the same situation held good in the woollen and worsted industries. At the same time, management faced demands from labour for increased wages and refusal to accept higher work-loads. The great domestic competitor, the South, continued to exert pressure by building new mills to accommodate northern textile firms.

By June, however, a series of wage arbitrations took place which secured reductions roughly equivalent to increases granted earlier and the mills began a slow recovery. Between July and October some 11,000 persons resumed work, though total employment remained 60,000 below the peak of 1951. At the end of the year, the Governors' Committee on the Textile Industry reported that obsolete mills and methods, work-loads and wage costs out of line with southern competition, state taxes and federal subsidies, and unco-operative local attitudes were responsible for the present dilemma. At the same time it deplored exaggerated public statements which had misrepresented the facts. Although the loss of cotton spindles has been heavy, the position in woollens and worsteds was maintained, the rayon record was satisfactory, and the total production of all textiles has actually increased.

The combined metal-using industries now outrank textiles as the area's largest employer, providing nearly 42 per cent of New England's manufacturing jobs. This group includes primary and prefabricated

metals, machinery, electrical machinery, transportation equipment and instruments. During 1952 the industry had a good record despite the problems raised by the steel strike. Employment averaged 636 thousand during the year—a gain of 17,000 over 1951 and an increase of 42,000 in the past five years. Transportation equipment, electronics and electrical equipment are the fastest growing industries in the group. In the past five years employment in transportation equipment manufacture has jumped from 55 thousand to close to 100 thousand.

Production of aircraft and automobile parts is booming, with large defence orders in hand; demand for railroad equipment and ships has been steady. Employment in the electronics and electrical machinery industries has jumped by 18,000 since 1947 and now stands at 126 thousand. Large defence orders have necessitated rapid expansion so that New England now produces 15 per cent of the total U.S. output of these goods. This impressive record has been achieved in spite of the fact that New England is a steel deficit area and manufacturers must bring in their requirements from distant mills at an additional cost of $10 a ton.

On the Record . . .

In 1952, New England:

- *Saw the metal-using industries outrank textiles as the area's largest employer.*
- *Turned out one-third of the United States total output of plastics.*
- *Produced some 170 million pairs of shoes, one-third of U.S. total.*
- *Received $32 million worth of defence orders for chemicals and allied products.*
- *Saw capital projects totalling $52·5 million approved by the pulp and paper industry.*

Remarkable growth in another modern industry, plastics, is helping to broaden the base of New England's economy. During 1952 capital investment was heavy, production increased substantially, and the variety of new products mounted. By the end of the year, one out of every five plastics workers in America was employed in New England and her factories were supplying one-third of the nation's total plastics output. Value of this production last year was a fat $225 million and expansion is continuing.

New England's chemical industry also enjoyed an excellent year. About two-thirds of the chemical output was in products which gained added value by processing. Soap and similar products, industrial organic chemicals, drugs and medicines and miscellaneous chemical products accounted for 78 per cent of the total. The industry also received approximately $32 million worth of defence orders and produced some 20 per cent of the total U.S. output of chemicals basic to the plastics industry.

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The shoe and leather industry made substantial progress last year and, as it has for many years, it again turned out about a third of the nation's total shoe output, or some 170 million pairs. For the first nine months of 1952 production was up 9·2 per cent over the same period of 1951—more than twice the rate of increase for the nation as a whole. Shoe sales were lower, however, with dollar value down about 5 per cent from 1951.

The pulp and paper industry showed real determination and made progress throughout the year. A $30 million hardwood pulp mill was started in Maine by the Great Northern Paper Company and approved capital projects in the industry totalled $52·5 million. Research and forest management received attention.

How Agriculture Fared

Agricultural production recorded only modest gains and income remained at or slightly below the level of 1951. The Maine potato crop was some 10 per cent larger and marketing proceeded at year-end at prices five per cent above those of a year ago. The apple and cranberry crops were poor compared with the previous year and the blueberry pack very small. A serious drought in July and August brought severe losses in truck crops, potatoes, blueberries and forage crops. The poultry industry, now holding first place in New England's farm economy, had a successful year, with income from some products up and others slightly down. Livestock disease in the form of vesicular exanthema in swine constituted a serious menace and has penetrated steadily into the region. Outbreaks in Rhode Island and Massachusetts have caused a great deal of concern.

The Fish Market

New England fishermen were forced to increase their landings substantially in order to earn an income equal to that of previous years. Competition from foreign fish fillets—principally from Canada, Iceland and Norway—and a scarcity of raw fish products for local plants combined to create uncertainty in the industry. However, frozen seafoods continued to grow in popularity. Unusually high fish inventories and competition from lower-priced meat, principally beef, since the beginning of 1953 has been keeping fish prices at levels considerably below those of 1952. Within recent weeks, however, inventories have been substantially reduced and now compare well with those at this time last year. With beef prices expected to rise in coming months, the fish industry feels it will get better prices for its products.

Early in 1953 private fishing interests in Massachusetts moved to implement legislation which would prohibit the import of lobster and crab meat from Canada. Opposition from distributors and consumer groups was so strenuous, however, that the measures were defeated by a substantial majority in the Massachusetts Senate.

Construction activity got off to a slow start in 1952 but by the year-end established an all-time record of $1,016 million in total contracts awarded. The actual gain over 1951 was small, however, and came primarily from price advances. Residential contracts were 14 per cent

higher in value and public works and utilities contracts also gained in value. Declines from 1951 levels were confined to plant, hospital, institutional and recreational building.

The Port of Boston registered its third successive increase, with a record high of 19,233,685 tons of cargo handled during the year. The port modernization project continued to progress and a measure to reorganize the port administration is now before the state Legislature.

Toward the close of the year plans were announced for the construction of a $75 million business centre in the Back Bay area of downtown Boston, on the lines of Rockefeller Centre in New York City. A trend toward the establishment of manufacturing industries in planned industrial centres outside urban limits became more pronounced. Accelerated conversion of the region's manufacturing resources to new products such as plastics, electronic and metal products continued.

Development Plans

To keep pace with modern needs, plans were announced to form a State Commerce Department for Massachusetts early in 1953. In conjunction with this, the Governor has launched a drive for the establishment of a privately financed business development corporation to provide a $20 million fund of risk capital for business expansion and attraction of new industries. Incidentally, one of New England's most prominent businessmen and a long-time friend of Canada, Richard L. Bowditch, was installed as President of the United States Chamber of Commerce in May. It is interesting to note that New England business is firmly behind the extension of the Reciprocal Trade Agreements Act. This fact was brought out in a poll of some 1,000 business and industrial leaders early in 1953, conducted by the New England Council and New England Association of Commercial Executives. Surprisingly, this intensely developed manufacturing area also favoured a low tariff policy.

First Quarter of 1953

The New England economy continued to enjoy a high and gradually rising level of activity in the first quarter of 1953. Most industries reported good to excellent conditions and this included shoes and cotton textiles. Retailers and manufacturers in general enjoyed improved business. However, there were a few unfavourable signs. Prices of most farm products declined. Woollens and worsteds remained in an uncertain position and construction of industrial plants slowed down. However, these cloudy spots were offset by gains in most other directions.

Demand for and production of manufactured goods in Massachusetts established comparatively high levels in the first quarter and the trend continued into April. Increased employment in the non-durable goods industries lent balance as the production of durable goods for the defence program levelled off. Prices of manufactured goods have held steady since decontrol. Retail trade is easing off somewhat, after maintaining levels during the first quarter comparable to last year. However, the general business picture continues good and the outlook is bright.

—D. H. Cheney
Vice-Consul of Canada and Assistant Trade Commissioner

Caribbean Markets for Canadian Fish

. . . A review of the demand for Canadian fish in four Caribbean countries, with advice on what consumers prefer, methods of shipping, and the sales outlook for the next few months.

KINGSTON—In the first three months of 1953, business conditions in Jamaica were generally prosperous. The sugar contract with the United Kingdom has provided a sure market and a profitable return; the banana, coffee, cocoa and pimento crops flourished and are expected to fetch good prices. The tourist trade has become the island's number two industry and its biggest dollar earner. In addition, three large bauxite companies will soon be operating at full capacity.

Demand for Cured Fish

Naturally, this prosperity has been reflected in the figures on imports of fish. For the first quarter of 1953, imports of Canadian cured fish increased considerably compared with the first three months of 1952. For the 12 months of 1952, salted codfish imports fell off by 1·7 million pounds, though the value rose from £611,318 c.i.f. in 1951 to £618,134 c.i.f. in 1952. This drop was caused largely by the rise in prices, which temporarily dislocated orderly marketing. For both years, imports from other sources totalled less than one million pounds.

Under government control the maximum c.i.f. price is £30 7s. 6d. per cask of 448 lb. net. Recent Canadian quotations have been somewhat lower. Fixed retail cost to the consumer is 1s. 7½d. a pound. Lately the Halifax-Kingston freight rate was reduced from $6.85 to $6.50 per cask of 448 lb. net. Insurance is 91 cents a cask.

Pickled and Canned Fish

Average yearly imports of pickled fish vary between seven and ten million pounds. Consumer demand is for 70 per cent mackerel, 20 per cent herring and 10 per cent alewives. Canada is the only important source of supply, and shipments come forward in water-tight barrels each containing 200 lb. net.

Consumers look only for large fish and exporters would be wise not to vary the traditional methods of curing pickled fish for this market because the Jamaicans strongly object to any change.

Jamaica was once a very important outlet for Canadian canned fish but imports are now restricted to allocations granted under the BWI Trade Liberalization Plan. At the moment, local government authorities do not seem inclined to permit additional imports under the general dollar program.

All dried, salted and pickled fish (with the exception of salted codfish) are on Open General Licence. This means that Canada is free to exploit this market if prices are competitive.

Imports of salted codfish are on a free licence but the allocation granted Canada is sufficiently high to warrant maximum annual sales at the present prices. Imports from sterling area or from non-dollar, non-sterling countries are not restricted.

Haiti

A reduction in the coffee crop and the fall in sisal prices have affected the whole Haitian economy. Sales of processed fish have, as a result, dropped sharply and will probably continue lower than in 1953 unless conditions improve.

Haiti imported 18·25 million lb. of processed fish valued at $1·73 million during the fiscal year ended September 30, 1952. Canada supplied over 88 per cent of the volume and more than 90 per cent of the total value.

The great demand is for dry salted alewives and imports from Canada reached 7·2 million lb. in 1952. Purchases of Canadian bloaters for the same year were 5·5 million lb.; of heavy salted codfish, 1·3 million lb.

Prices for pickled or dry salted alewives (f.o.b.) have fluctuated considerably in recent months. Quotations for old catch vary from $11 to $13.50, according to quality and size.

At present Canadian c.i.f. rates for bloaters are competitive with European imports, but sales are slow because the market is overstocked. Salted fish (pollock and codfish) fetch good prices but sales are small compared with alewives and bloaters.

In this Canadian plant on the East Coast, dried salt cod is being processed in a mechanical salt fish dryer, for shipment to Caribbean customers.

Haitians prefer large-size alewives, dry salted, and with a large percentage of fish containing roe.

Bloaters should be bright yellow, dry and firm, but have a low fatty content. Haitian buyers prefer large choice standard grades, packed in boxes of 80 to 120 and weighing 18 lb. net.

In salted fish, the consumers like large and heavy fish, very white. Maximum moisture content should not exceed 38 per cent. Inferior grades will sell, but only if prices are very low by comparison.

Bloaters in bundles of two cases are charged a freight rate of 41 cents. Freight on alewives is $2.24 per barrel of 200 lb. net.

Dominican Republic

Compared with other Caribbean countries, the Dominican Republic is enjoying a large measure of prosperity, though Canadian exporters of saltfish to this market saw their sales drop off by about 183,260 pounds in 1952 as compared with 1951. In 1950, total saltfish imports were 4,741,921 lb., valued at D.R.$602,140. The following year, 1951, imports rose to 7,354,089 lb., valued at D.R.$1,000,381. Canada's share in this trade amounted to over 95 per cent of the total quantities and values for each year. Despite the drop in imports from Canada in '52, she maintained her position of being the only important source of supply with a total of 7·3 million pounds.

Preferred Types

Prewar, imports for the most part consisted of hard and semi-dried heavy salted codfish. Today the buyers look for heavy salted scale fish with a maximum moisture content of 38 per cent. Pollock is most popular in the southern areas; the northern areas prefer hake and cusk. Duty on salted fish is 26 per cent of the f.o.b. value, plus two cents per kilo of the net weight. As in all Caribbean markets, consumption is governed more by price than by any other factor. Labourers, who are always striving to obtain a cheap preserved protein food, are the principal buyers of saltfish.

Bloaters

Imports of bloaters for 1951 totalled 3,546,998 lb. as against 3,360,489 lb. in 1950, valued at D.R.$360,534 and D.R.$311,584 respectively. Consumers like No. 1 or "choice" grade but "standard" or No. 2 will sell if prices are very much lower. Fish should be bright yellow, firm, dry and with a low fatty content.

Wooden boxes containing 18 lb. net are standard packages and the number of fish per box should be from 80 to 120. This is *most important* because they are sold individually and not by the pound. During the first quarter of 1953, imports from Europe undersold Canadian bloaters, with the result that considerable sales were lost.

A recent government order designed to conserve beef herds by reducing local beef supplies may mean a greater demand for imported fish. Sales should thus equal or exceed those in previous years.

Puerto Rico

Puerto Rico offers the largest Caribbean market for salted fish. Imports (composed almost entirely of cod) for the year ended June 30, 1952, totalled 37,311,792 lb. Canada supplied 96·58 per cent of this, most of it from the province of Newfoundland. Comparatively small quantities of other types of processed fish also come in.

Puerto Ricans prefer small, hard-dried, light salted codfish with a maximum moisture content of 38 per cent. Prewar, the great bulk consisted of small, semi-dried, heavy salted cure containing between 42 and 44 per cent moisture. At the moment, the price differential between the two cures is not sufficient to encourage sales of semi-dried.

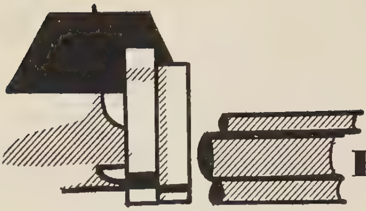
Recently the c.i.f. prices have fluctuated considerably, but Canadian exporters can usually compete successfully with imports from Europe and St. Pierre. Rates of duty are 50 cents per 100 lb. for salted fish with maximum moisture content of 41 per cent, and 25 cents when the moisture content is above 41 per cent but does not exceed 44 per cent.

Since the OPS was abolished in the United States (including Puerto Rico), retail prices of salted codfish have fallen below the former OPS maximum. If prices go above the former maximum allowed, the general opinion is that restrictions may be re-imposed by local government authority.

Present indications are that imports of salted fish during 1953 will equal those of previous years. Prices are tending to drop and consumption may therefore even exceed that of 1952.

—E. M. Gosse
Canadian Government Trade Commissioner (Fisheries)

Here is a part of the footwear display featured in the Canadian Showroom, Rockefeller Center, New York, throughout May and June. Thirteen Canadian shoe manufacturers teamed up to display their fall and winter lines.



Businessman's Bookshelf

Canada: Nation on the March

A symposium. 212 pages. Cloth $3.50.

EARLIER THIS YEAR, through the joint efforts of a Canadian and an American committee, a series of six evening programs was held at Town Hall in New York. The addresses made on those occasions by prominent Canadians have now been edited and published. The subjects range from the people and their history through financial, labour and social legislation on to resources development, political philosophy and the culture of Canada. The authors include cabinet ministers and businessmen, university presidents and journalists. There are parts of fustian and much indeed of fine weave. Dry humour and oratory are intermingled with sound descriptive material. The score of brief chapters gives much to stimulate thought and pride of country.

Order from: Clarke Irwin and Company Limited, 103 St. Clair W., Toronto.

Second World Food Survey

Food and Agriculture Organization. 59 pages. 50 cents.

WHAT HAS HAPPENED to the world food supply since 1946? What is the outlook today? This second report—the first was published in 1946—sets out to answer these questions. It emphasizes that the low point was reached in 1946-47; since then, recovery has continued, though unevenly. The actual situation is reviewed in the light of nutritional targets to be achieved by 1960 and progress is thus measured. The survey does more than set out the facts; it also suggests how the desired objectives may be achieved.

Order from: Ryerson Press, 299 Queen Street W., Toronto. Ont.

Whither Bound Japan?

Foreign Commerce Department, Chamber of Commerce of the United States. 18 pages. Free.

THIS BRIEF DISCUSSION of Japan's economic future does not pretend to offer solutions to a thorny problem. It does, however, analyze that problem. U.S. aid to Japan since the war (about $2,276 billion), Japan's foreign trade position, her great need to import raw materials,

her loss of markets in the Communist countries—all these are taken up in turn. The only conclusion reached is that Japan faces an uphill climb to economic health and that "she can only make this climb if she is assisted by the other trading nations of the free world in letting her earn her keep".

Order from: Chamber of Commerce of the United States, Washington, 6, D.C.

The Canadian Balance of International Payments, 1952

Prepared by International Trade Division, Dominion Bureau of Statistics. 32 pages. 25 cents.

LAST YEAR, Canada had a current account surplus of $151 million in transactions with all countries, in contrast to deficits in 1950 and 1951. At the same time, the Canadian dollar rose in value. These two developments are analyzed at some length in this pamphlet. Statistics on and explanation of the changes in the commodity balance are followed by a study of international travel expenditures, receipts and payments of interest and dividends, freight and shipping transactions, and capital movements between Canada and all other countries. The closing section deals with Canada's international investment position.

Order from: Dominion Bureau of Statistics, Ottawa, Ontario.

International Trade News Bulletin

By Secretariat of the General Agreement on Tariffs and Trade. About 31 pages (mimeographed). $3 U.S. a year (12 issues).

THIS BULLETIN, prepared by the GATT staff in Geneva, gathers together news reports on the operation of the General Agreement and provides information on developments in commercial policy which have world-wide significance. It also lists new trade agreements and other inter-governmental trade arrangements. An index, issued once a year, enhances the value of the Bulletin and makes reference easier.

Order from: GATT Secretariat, Villa le Chene, Palais des Nations, Geneva, Switzerland.

Economic and Commercial Conditions in Mexico, 1952

By R. G. Stone. 94 pages. 90 cents.

MOST EXPORTERS are familiar with the Overseas Economic Surveys sponsored by the U.K. Board of Trade. The latest addition to this useful series was prepared by the United Kingdom Commercial Counsellor at the Embassy in Mexico City last September. It follows the usual pattern, classifying the information under seven main headings: finance, trade, agriculture, mining and petroleum, industry, labour relations and social questions, and communications.

Order from: United Kingdom Information Office, 275 Albert Street, Ottawa.

Hong Kong's Enamelware Industry

Since the war this industry has grown rapidly from two to fifteen factories; last year its export earnings were second highest in the Colony.

HONG KONG—The enamelware industry in Hong Kong has grown from only two factories before the war to 15 today. This marked expansion has been brought about largely by Shanghai businessmen who have moved to the Colony from the China mainland since 1948, bringing with them capital and skilled workers. The industry employs about 3,500 workers and has 64 muffle furnaces. Although virtually all of the raw materials have to be imported, the abundant labour supply in the Colony, coupled with a strong demand for low-cost enamelware in Southeast Asia and Africa, have favoured the industry's development. Chief items produced are mugs, trays, bowls, basins and spittoons, usually stencilled in garish colours to suit consumer tastes in the main markets. The value of enamelware exports in 1952 was HK$44,239,244* second only to textile industry exports.

Blackplate Is Major Material

Tin mill blackplate is the major raw material used by the industry and the Hong Kong Government estimates monthly needs at 1,780 long tons. The United States is the chief supplier, followed by Japan, Canada, and the United Kingdom. Before December 1950, when the United States imposed controls on exports to Hong Kong, very little blackplate was purchased from Canada. After the embargo came into effect new sources had to be found and it was then that the Canadian product gained a foothold in the Hong Kong market. Although supplies from the United States are again adequate, the industry still imports from Canada because it has found Canadian blackplate of good quality and competitive with the American product. The table below summarizes the imports of blackplate during 1952. The bulk, although not all, of this blackplate is used in the enamelware industry.

Imports of Blackplate, 1952

Country	Quantity Cwt.	Value HK$
United States	235,720	8,334,907
Japan	81,896	4,657,184
Canada	23,480	1,060,440
United Kingdom	16,581	883,706
Belgium	2,127	162,083
Total	359,804	15,098,320

Source: Hong Kong Department of Commerce and Industry.

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* HK$1.00 equals approximately Can.$0.17.

Blackplate sheets with a gauge of 26-33 U.S.G. are considered most suitable for enamelling because they have the right degree of flexibility. Three types of sheets are used—rejects, waste and waste wasters. Preferred sizes for sheets are 18 by 24 inches and larger, otherwise there is too much loss after punching out the primary circles. There is little market for the considerable by-product of scrap cuttings and these are virtually given away to Japanese buyers.

Raw Material Imports

Raw Material	Country of origin	Estimated monthly requirements for 64 furnaces
Tin mill blackplate	United States Japan Canada United Kingdom Belgium	1,780 tons
Borax	United States	320 "
Antimony metal	China	51 "
Antimony oxide	China United Kingdom Belgium	64 "
Tin oxide	United Kingdom	45 "
Titanium dioxide	United States France	64 "
Soda ash and potassium carbonate	United Kingdom Europe	160 "
Cryolite and sodium silico-fluoride	Greenland United States Europe	64 "
Sodium nitrate and potassium nitrate	United States Europe	45 "
Clay	United Kingdom Hong Kong China	51 "
Quartz, flint and glass sand	Hong Kong	288 "
Feldspar, orthoclase	Hong Kong	288 "
Fluorspar	China Europe	64 "
Cobalt oxide	Canada Europe	3,840 lb.
Nickel oxide	Canada Europe	3,200 to 5,100 lb.
Manganese dioxide	China	64 tons
Cadmium sulphide, orange or lemon; cadmium red, blue, green oxide, pink oxide, brown oxide, Naple's yellow; chromium oxide; ferric oxide; black oxide, etc.	United Kingdom Europe	19,200 lb.

Source: Hong Kong Enamelware Manufacturers Association.

The machinery used to convert the blackplate sheets into the different shaped utensils has either been manufactured locally or brought from China. The sheets are fed by hand into stamping machines which punch out discs of various sizes; heavy drawing presses then cast them into shape. Next the surfaces are smoothed by spinning each utensil on a lathe, after which the rims are beaded (turned under to make them smooth). Before being enamelled, these "blanks" are fired and pickled. The firing removes the lubricating oil picked up in the spinning and beading process. The pickling—washing in acid, then in alkali—removes rust and other marks.

The blanks receive a base and top coat of enamel by hand dipping. Each time after drying they are fed manually into the oil-burning muffle furnaces for three or four minutes, where firing makes the surface glossy. If the utensil is to have a pattern on it, it is then taken to a spray booth where colours are applied through stencils made on the factory premises. A final baking completes the process. To get the most efficient use out of the furnaces, the factories operate on a 24-hour-a-day basis. During slack business periods, some furnaces may be shut down completely but the remaining ones continue on round-the-clock operation.

Material Imported

The factories prepare their own enamel. In addition to kaolin, linseed oil, glass and sand, a wide variety of chemicals are needed, most of which come at present from the United States, the United Kingdom and Europe. Electric arc smelters are used for the fritting process, which consists of mixing the ingredients, fusing them at high temperatures and, after cooling, breaking up the resulting product in ball mills to a fine powder which is aged before being used.

The enamelware export value of over HK$44 million in 1952 compares with HK$36 million in 1951 and only HK$20 million in 1950, according to Hong Kong trade statistics. As the following table shows, Indonesia is by far the most important export market, followed by Thailand, British Africa, Malaya and Burma.

Value of Enamelware Exports

Country	1951 HK$	1952 HK$
Indonesia	18,421,708	18,697,827
Thailand	1,570,540	8,995,505
British Africa	6,143,787	6,307,310
Malaya	5,862,513	2,321,794
Burma	40,800	1,801,058
Formosa	*	630,004
Pakistan	540,924	623,010
Ceylon	97,078	439,682
Philippines	437,121	348,395
Central America	219,019	238,313
Netherlands	*	219,103
British North Borneo	173,227	208,069
Australia	248,185	127,797
Others	2,374,613	3,281,377
Total	36,129,515	44,239,244

Source: Hong Kong Dept. of Commerce and Industry.
* Not available.

Enamelware from Japan has been giving the Hong Kong industry a good deal of competition, particularly in Indonesia. Early in 1952, ocean freight rates favoured Japanese exports but the rates have since been adjusted. At present, Hong Kong industry has a number of export orders on hand and the outlook is favourable.

—Milton B. Blackwood
Assistant Canadian Government Trade Commissioner

Commodity Notes

BRAZIL

Wheat—Brazil is producing almost 30 per cent of the wheat that it consumes, according to a survey of the country's wheat policy conducted by the Statistical Service of the Ministry of Finance. Imports of both wheat grain and wheat flour are falling, but domestic production is steadily increasing—from 15·8 per cent in 1943-45 to 29·6 per cent in 1950-52—São Paulo, June 8.

BRITISH GUIANA

Fibre—A company conducting research with fibre crops has issued its first report. Cultivation of 157 acres was begun in 1951 with heavy agricultural machinery; seven varieties of jute were planted by June 1952, and three gave yields sufficient to warrant large-scale trials this year; crop suitable for fibre was ribboned by machine and was approved by the British Jute Trade Association—Port of Spain, June 14.

DOMINICA

Bananas—Dominica's thriving banana industry will benefit from a ten-year contract recently signed by Antilles Products Ltd. This ensures that two 16½ knot banana ships will make regular calls from May on. In the last three years exports have risen from 350 thousand to 870 thousand bunches, and 1953 shipments will likely exceed the million mark. The United Kingdom and Eire take the bulk of the crop—Port of Spain, June 14.

MEXICO

Cotton—Mexico may have a slightly bigger cotton crop in 1953-54 than in 1952-53 (1,228,500 bales compared with 1,227,500 bales). Although 2,319,000 acres were planted a year ago, only 1·9 million acres were harvested. Growers report that 1,958,500 acres are being planted this year. In the Matamoros region, plans for the planting of 300 thousand more acres of non-irrigated land were halted by lack of rain—Mexico, D.F., June 20.

NETHERLANDS

Nitrogen—The 1952 output of nitrogen totalled 131,137 tons, corresponding to a total quantity of 622 thousand tons of fertilizer. The chemical plant of the State Mines is struggling with a serious shortage of skilled labour. It now employs 6,500 workers, twice as many as in 1945—The Hague, June 19.

NEW ZEALAND

Potatoes—Because of poor weather and insufficient acreage, New Zealand is again faced with a shortage of potatoes. The Government recently authorized the import from Australia of 3,000 tons, later increased to 6,000 tons. However, Australia also appears to be facing a shortage, and it is doubtful that the tonnage will be available—Wellington, June 12.

NORWAY

Metals and Minerals—The annual output of Falconbridge Nikkelverk, Kristiansand, has been increased from 11 thousand to 14,500 tons of nickel. The company has also begun to produce cobalt. Further extension works are in progress with the object of reaching an annual output of 16 thousand tons of nickel and 12 thousand tons of copper. Total shipments of iron ore from Narvik during 1952 amounted to nine million tons, a record figure. This record is expected to be broken in 1953. Norway's total output of sulphur pyrites in 1952 was about 750 thousand tons. In January production began at the new Skorovas Mines whose output is expected to reach 150 thousand tons of sulphur pyrites a year—Oslo, June 17.

UNITED KINGDOM

Coal—The cost of producing a ton of coal in the United Kingdom last year was £2 16s. 9d., an increase of 7s. 7d. a ton compared with 1951. Colliery proceeds rose by 6s. 1d. per ton, and the National Coal Board's accounts showed a deficit of £8·2 million. There was a disappointing decline in productivity. Employment increased by 22,500 but output by only 2·5 million tons. The Board says that the need to regain lost ground is a challenge to the industry—London, June 26.

UNITED STATES

Sawgrass Newsprint—The first test of resistance of Florida sawgrass newsprint was run on the *Daily Tallahassee Democrat Press*. The paper used for the test was made at the Herty Foundation, Savannah, Georgia, and proved very strong but rather stiff. This was the first press-run demonstration of sawgrass newsprint since a plant at Leesburg, Florida, failed 30 years ago. Because sawgrass newsprint can be produced much more cheaply than the standard type, newspaper publishers in the South watched this test with great interest but they were non-committal about the results. The Tallahassee firm which was given the exclusive sawgrass cutting rights hopes to build a small plant to produce pulp from sawgrass at Belle Glade, Florida—New Orleans, June 29.

WEST GERMANY

Machinery—The output of the German machine construction industry had a total value of DM9·7 billion in 1952, as against DM7·9 billion in 1951. Exports of machinery amounting to DM3·5 billion exceeded in value all other export groups. Machinery's share of total West German export trade was 21·2 per cent, as compared with 13 per cent before the war—Bonn, June 24.

Canadian Asbestos and Its Markets

HIGH UP ON THE LIST OF MINERALS which Canada produces comes asbestos fibre; today Canadian mines turn out approximately 70 per cent of the world's supply. But as a consumer, our rank is low; less than 5 per cent of the asbestos we produce is used here in Canada. This could raise problems if other countries discover commercial asbestos deposits and begin to compete with us for markets. But before going into that question, let's take a look at the asbestos industry today.

Production Up since '39

In 1951, Canadian asbestos mines produced close to a million tons of all grades of crude and milled fibres, valued at nearly $81·6 million. This represents a jump of almost 30 per cent since 1939, when the figure stood at 374 thousand tons. Over the years, two things have boosted the demand: consumption of fibre for the older industrial uses has expanded and, at the same time, new uses have been developed.

Technical developments have had an important influence—such as the evolution of asbestos friction materials from the all-woven type to the increasingly popular moulded types. This has profoundly affected the industry because moulded-type products make use of the more abundant shorter fibres and leave the longer and scarcer spinning-grade fibres for making white asbestos textile goods, such as asbestos cloth, tape, rope, roving, lagging, etc.

The ABC of Asbestos

All asbestos fibre produced in Canada is of the chrysotile variety but falls into several different categories:

- *Crudes 1 and 2 and group 3 (milled fibres): spinning fibres used to make white asbestos textile goods.*
- *Group 4 (milled fibres), known as shingle stock; used to make asbestos cement products such as pipe, flue pipe, roofing shingles, sheets, lumber, corrugated sheeting, asbestos magnesia pipe covering.*
- *Group 5 (milled fibres), known as paper stock; used for making paper and fibre board.*
- *Groups 6 and 7 (milled fibres) known as shorts; used as asbestos cements, protective coatings, moulded articles, etc., and as a filler in asphalt tile, greases and other products.*
- *Groups 8 and 9 (milled fibres) the shortest and lowest grades, known as sand and gravel; used chiefly for asbestos flooring and wall-tiles.*

Of the seven companies producing asbestos fibre in Canada today, five are subsidiaries of United Kingdom and United States firms. Together they account for more than 50 per cent of the asbestos fibres produced in Canada today. These five are all "vertical type" companies—that is, they mine and mill the raw materials and also fabricate the finished products. Any surplus not needed in their own manufacturing plants, either in Canada or abroad, or other grades which they do not use, they sell to other consumers. The remaining two companies mine and mill asbestos fibre for sale to consumers throughout the world.

The Export Outlook

Exports of asbestos fibres in 1951 totalled 942 thousand tons, valued at over $80·3 million; 75 per cent of this went to the United States. It enters that country duty-free and supplies a large U.S. manufacturing industry which, in 1951, turned out about $450 million worth of asbestos products (over $400 million for the home market). Asbestos fibre exports from the U.S. in 1951 reached 13 thousand tons valued at $3·2 million; in the main, these exports consisted of Canadian asbestos fibre which had been refined or blended in the U.S. and re-exported in these forms.

Several factors have a bearing on the outlook for asbestos fibre exports in the next few years. One is the intangible thing called goodwill. Asbestos fibres, particularly the longer fibres, have been in short supply these postwar years and Canadian mines could have obtained three or four times the prices they charged. It is a credit to the industry and important for the long-term outlook that the Canadian mines not only kept their prices at reasonable levels, but also did and are still doing an excellent job in the equitable distribution of available asbestos fibres.

As time goes on and asbestos deposits are found in other parts of the world, Canadian asbestos producers may face increased competition. The United States holds first place as a consumer and manufacturer of asbestos products and the proximity of Canadian supplies and the close financial and commercial relations between the two countries seem to assure a continuing market there. It is in Europe that competition for sales is likely to become keener and here transport charges would take on increased significance. However, as long as demand remains strong and Canada maintains her position as a major producer, exports to the European market should continue high.

Asbestos Fibre Products

When we turn from asbestos fibres to the products made from them, the story is a different one. Out of a total production of close to a million tons of asbestos fibres in 1951, all but 50 thousand tons was exported. But, of the $19·5 million worth of asbestos *products* manufactured in Canada in 1951, only $1·5 million worth was exported. In fact, Canada used in that year about $21·5 million worth of asbestos products and this included $3·4 million worth of imports.

Before going into the reasons for this situation, it might be helpful to look at the major uses for asbestos fibres. They fall generally into four groups, but one common feature is the stress placed on the fireproof and insulating properties of this mineral.

- *Asbestos building materials* such as asbestos cement shingles, siding, wallboard, sheets, pipe and asbestos magnesia pipe insulation and asphalt floor tiles.

- *Moulded asbestos automotive products* such as brake linings, clutch facings, blocks and also many other moulded products.

- *Asbestos papers* of varied composition for many uses, from pipe wrappings to table pads.

- *Asbestos cloth*, tape and rope, for such things as packings, safety clothing, fireproof curtains, electrical insulation, woven brake bands.

Altogether, the Canadian asbestos products industry uses less than 5 per cent of the asbestos fibres produced here, with companies making asbestos cement building materials and asbestos automotive products accounting for the major part. Here is the situation in more detail:

Asbestos Cement Building Products—Four companies are producing asbestos cement building products in Canada. Two of them have plants near the asbestos mines in Quebec; two of them are on the West Coast. Because the Canadian market for certain kinds of asbestos cement building products is rather small, it is more economic to import them than to produce them in Canada. These imports are estimated at over $500 thousand a year, and come almost entirely from the United States. Even counting in the cost of transporting the fibre across the border and then returning the finished products, it is still cheaper to buy from the American plants than it would be to make these products ourselves.

Moulded Asbestos Automotive Products—These constitute the largest part of the moulded-type asbestos products. Canadian requirements of moulded goods using asbestos fibres come largely from the 14 Canadian

firms which manufacture them from the shorter and less expensive fibres. Imports, however, in 1951 totalled nearly one million dollars. Other moulded products using asbestos fibres include magnesia pipe insulation, plastics, rubber goods, etc.

Asbestos Papers—Three Canadian companies turn out asbestos papers for uses that range from oil pipe wrappings to dining-room table pads. The kinds and composition naturally vary with the use, and the few types not made here are imported from the U.S. Asbestos paper-makers in Canada use only a small amount of asbestos fibres compared with total production.

Textile Products—Canadian consumption of crude and milled spinning fibres is also small. Three companies manufacture what the trade knows as white textile asbestos goods, such as asbestos cloth, tape, rope, fillers, lapps, roving, wicks and yarn. Many of these are only intermediate or semi-manufactured products and in turn go into many other goods. All other firms in Canada handling white textile asbestos goods purchase semi-manufactured materials from these three companies or from suppliers or parent companies in the United States or the United Kingdom. Imports are estimated at over $500 thousand a year. In the United States, at least twelve plants produce textile asbestos goods.

Many of the firms playing an active part in the Canadian asbestos products industry are small and are actually distributors or jobbers, who often handle complementary lines as well. They fabricate some asbestos products, usually from semi-manufactured materials such as asbestos textiles, papers and boards, which they purchase either from the primary manufacturers of asbestos goods in Canada or from U.S. or U.K. manufacturers.

Exports and Imports

Canadian exports of asbestos fibre goods in 1951 had a value of about $1½ million, and consisted of brake linings, packings, and miscellaneous products. About 50 per cent of these exports went to the United States—but they represented only a tiny fraction of the $400 million worth of asbestos products which Americans used in 1951. Other markets for Canadian asbestos goods were the British West Indies, South America, Europe, and the Middle and Far East. In the last few years, the dollar shortage has meant some curtailment in sales to these areas.

Imports of asbestos fibre goods in 1951 far exceeded exports—$3·4 million as compared with $1·5 million, or about 15 per cent of the apparent Canadian consumption. They came, naturally enough, from the United States. For the most part, they were made up of asbestos packings, brake linings, clutch facings, building products, cloths, etc. of types, sizes or qualities not made here.

To sum up, the manufacture of asbestos fibre products in Canada is largely limited to Canadian requirements—and to products which it is economically practical to manufacture here rather than import. Exports remain relatively small.

—E. J. Bonkoff
Commodities Branch

General Notes

AUSTRALIA

Tax Agreement with U.S.—Australia and the United States have signed an agreement to abolish double taxation on incomes, estates and gifts. This agreement, which comprises three conventions, will come into force when the Australian and U.S. Governments ratify it. It is hoped that both countries will do so early enough for it to operate in the tax year beginning in July. The chief Australian objective is to encourage U.S. concerns to invest dollars in Australia by extending their activities there—Sydney, June 12.

CHILE

New Coinage—A bill has been passed by the Chilean Senate authorizing the minting of a new coinage. Coins of $10 and $5, to be denominated Condor and Half-Condor respectively, will be 90 per cent copper and 10 per cent aluminum and other metals. Copper coins will continue to be used for $1, 50 centavos and 20 centavos. The 50 centavos coin has not been minted for some time—Santiago, June 10.

NORWAY

Reforestation Program—A record 37 million trees were planted in Norway during 1952, but the figures planned for 1953 and 1954 are still higher—43 million and 50 million trees respectively. As an aid to the reforestation of the treeless districts in Western Norway, A/S Borregaard, one of the largest wood refining plants in Norway, has decided to grant loans totalling two million kroner. These loans are to run free of interest for 40 years and if repaid in timber, 25 per cent of the original amount will be deducted—Oslo, June 18.

UNITED KINGDOM

Overseas Trade—The value of United Kingdom exports in May (25 working days) was £211·7 million, compared with £214·8 million in April (24 working days). Imports amounted to £296·4 million against £293·3 million in April.

The excess of imports over total exports increased in May to £77·5 million, bringing the average for the first five months this year up to nearly £62 million. The corresponding figure last year was £63 million.

Exports to Canada, a record £16 million in April, fell in May to £14·8 million. Exports to the United States in May (£13 million) were practically the same as in April—London, June 22.

Colombia Grows More Cotton

Colombian growers now produce only one-third of the raw cotton which the domestic textile industry needs, but with government aid, they are working towards self-sufficiency.

BOGOTA—Colombia is today growing only 36 per cent of the cotton needed by its textile industry, even though the climate and soil in various regions are well suited to heavy cotton cultivation. Strenuous efforts, however, are being made to expand raw cotton production and particularly to grow the types required by Colombian mills, and thus cut down imports and conserve foreign exchange. Although complete self-sufficiency is not yet in sight, the acreage planted is expanding and the yield per acre increasing through the use of better seed. Already there is a surplus of short-fibre cotton and modest amounts are available for export. Medium and long-fibre varieties, however, still must be imported in quantity to meet local needs.

Large Domestic Consumption

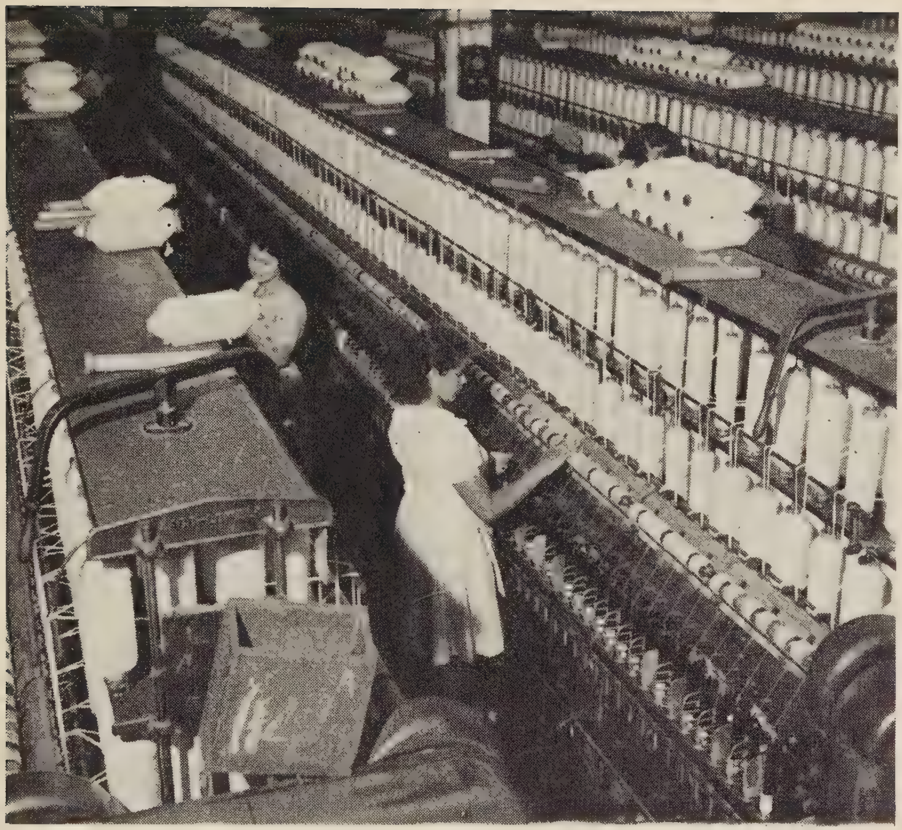
Colombia has a surprisingly large and well-developed textile industry. Centred mainly in the city of Medellin, the industry boasts some modern mills which would be a credit to the North American industry. The domestic market for Colombian textile producers is protected by an import ban which covers all cotton manufactures with the exception of poplin for men's shirts. Besides the domestic market, the industry now sells to a number of neighbouring countries, including Ecuador, Venezuela, Panama, and Curaçao and Aruba in the Netherlands West Indies.

Figures for 1952 show the industry's consumption:

	Kilos	Percentage of total	Value in Pesos*
Domestic cotton	8,961,892	36	23,751,492
Foreign cotton	15,966,950	64	43,583,211
	24,928,842		67,334,712

* 2.50 Colombian pesos equal US$1.00.

The growing demand in the domestic market is giving impetus to greater cotton production even though the textile industry in Colombia, as throughout the world, has recently been suffering from a serious recession. To meet the present and anticipated demand, government and business groups are working together to promote the sowing of a greater acreage and to step up yield per acre and improve the quality of the product. The districts best suited to cotton cultivation include the interior Departments of Tolima, Caldas and Cundinamarca, and the Departments of the Atlantic Coast—Magdalena, Atlantico, Bolivar and Cordoba. The Government is distributing to the growers better types of cotton seed produced on its experimental farms at Armero in Tolima and at Palmira in Valle de Cauca, near the city of Cali. It is also taking steps to encourage the planting of the annual varieties required by the domestic industry, and to eradicate the less desirable perennial types which now



—W. H. Grace & Co.

Colombia has a large and well-developed cotton textile industry as this photograph, taken in the Tejicondor cotton mill at Medellin, shows. Medellin is someimes known as the "Manchester of Colombia".

form the largest part of the crop along the Atlantic coast. The Government of the Department of Tolima is constructing irrigation works which are expected to increase the local cotton crop by as much as 30 per cent. According to a press announcement in October 1952, the Caja Credito Agraria, a semi-official Colombian banking organization, has advanced one million pesos to the Institute of Cotton Development for eight years to finance the purchase of machinery and equipment for the producers.

In spite of all these measures, Colombian production of raw cotton still has a long way to go before national self-sufficiency can be achieved or international markets supplied. Total 1952 production is estimated at 13·2 million kilos, in contrast to total domestic consumption of 26·3 million kilos. In 1953 output may be larger than that in past years, but estimated national consumption is also expected to rise.

In the world setting, comparisons are even less favourable. According to U.S. Government figures for 1952, Colombia's raw cotton production compared with the output of neighbouring countries and of the United States was:

	(in metric tons)	
United States	3,413,630	
Brazil	408,000	(estimated)
Mexico	266,040	
Peru	95,350	
Colombia	10,562	

Nevertheless, the following figures are encouraging:

	1951	1952
Area planted	36,184 hectares*	55,163 hectares
Production	6,474 metric tons	10,567 metric tons
Value	16,302,936 pesos	20,591,906 pesos
Production of fibre per hectare	179 kilos	192 kilos

* One hectare equals 2·471 acres.

This year, 64 thousand hectares will be planted to cotton and, using the better varieties of seed available, it is hoped that production per hectare will continue to increase.

With its advantages of soil and climate and its proximity to North American markets, Colombia seems admirably suited to become a large world producer and exporter of raw cotton. If the efforts of private and government organizations and of the cultivators bear fruit, Canadian and United States cotton firms may, before too long, find it advantageous to buy at least part of their raw material requirements from this country.

—JOHN E. LANCASTER
Assistant Canadian Government Trade Commissioner

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, begins a tour of Canada in Ottawa, July 6-10. His itinerary is:

Ottawa—July 6-10
Montreal—July 13-17
Three Rivers—July 20
Shawinigan—July 21
Quebec—July 22
Chicoutimi—July 23
Rimouski—July 24
Fredericton—July 27
Saint John—July 28-29
Halifax—July 30
Sydney—July 31
St. John's—August 3-4
Toronto—August 10-14
Hamilton—August 17-18
St. Catharines: Welland—August 19
Sarnia—August 20
Windsor: Walkerville—August 21
Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. He will visit Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, began a tour of Canada in Ottawa on June 29. His itinerary is:

Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Saint John—July 6-8
Halifax—July 10-13
St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. His itinerary is:

Arvida—July 4-6
Vancouver—July 29-31

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

TOUR OF TERRITORY

W. Gibson-Smith, Canadian Government Trade Commissioner in Leopoldville, Belgian Congo, will visit Luanda and Angola in Portuguese West Africa during the first week of August. Businessmen interested in this area should write Mr. Gibson-Smith at Leopoldville as soon as possible.

Trade and Tariff Regulations

CUBA

Trade Agreement with West Germany—On June 11, 1953, a new trade agreement signed by Cuba and West Germany became effective. It is scheduled to remain in force until December 31, 1955.

The agreement provides for reductions in the most-favoured-nation rates of the Cuban tariff on many products to the levels enjoyed by similar United States goods. The products benefiting from the reduced rates are the same, in most instances, as those which were included in the 1951 agreement between Cuba and Germany, which was terminated on January 30, 1953. There are, however, about 31 new Cuban tariff reductions. All of these reduced rates will be extended to similar Canadian products under most-favoured-nation treatment. Among the items of interest are glassware; optical lenses; light bulbs; iron and steel bars and wire; padlocks; copper in bars and plates; aluminum in bars, plates and wire; a number of paper products; phonographs; musical instruments; alarm clocks; and unmanufactured synthetic resins. A complete list of the Cuban tariff rates affected may be obtained on request from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

In return, Germany has agreed to purchase 500,000 tons of sugar from Cuba over the three year period 1953-1955. Germany agrees also to set aside $2 million yearly for purchases of Cuban leaf tobacco, cigars, rum, copper, chrome and other ores, hides, sisal, sponges, pineapples, grapefruit and other products.

GREECE

Luxury Tax—The Greek Ministry of Commerce announced on May 2 that the luxury tax, on which the rates were reduced effective April 29, is levied on importation on the duty-paid c.i.f. value of the goods concerned. Preliminary information obtained from the Greek authorities indicated that it would be assessed on the wholesale price in Greece. This information was published in a note in *Foreign Trade* of June 20 announcing the reductions in the Greek luxury tax.

The c.i.f. valuation is more advantageous to trade, since the amount of tax payable under this system may be calculated beforehand.

INDIA

Import Control Policy—A cable from the Acting Canadian Commercial Secretary, New Delhi, contains a resume of the Indian import control policy for the July-December 1953, licensing period. The announce-

ment indicates some relaxation since some items previously banned are now permitted importation from the dollar area. The import quotas for certain other items are increased.

According to this advice, the following items, previously banned, may now be imported from the dollar area. The percentage quota allowed each item is calculated on imports for half of the basic year applicable: electrodes and rod, wire, foil and strip for gas welding—20 per cent; domestic refrigerators, complete—20 per cent; typewriters, complete—33 per cent; industrial machinery, other than for jute and textiles—75 per cent; dairy and poultry farming appliances—25 per cent; wetting out agents—10 per cent; vulcanized fibre rods and tubes—25 per cent; condensed milk—40 per cent; infants' milk food—40 per cent; farinaceous foods, canned or bottled—20 per cent; breakfast foods—10 per cent; second-hand woollen clothing—50 per cent; ashwood oars—75 per cent; steel belt lacing—10 per cent.

For the following commodities, the percentage quota has been increased as shown: industrial exhaust fans and blowers—100 per cent to 125 per cent; jute machinery—50 per cent to 75 per cent; textile machinery—50 per cent to 75 per cent; air conditioning machinery—10 per cent to 50 per cent; other types of refrigeration machinery—50 per cent to 100 per cent; firefighting equipment, except fire extinguishers—10 per cent to 50 per cent; printers' ink—20 per cent to 40 per cent; cellulose acetate butyrate—20 per cent to 75 per cent; filtering aids, like hyflosupercel—50 per cent to 75 per cent; powdered milk—20 per cent to 40 per cent; penicillin preparations—100 per cent to 150 per cent; hardware and tools—20 per cent to 30 per cent.

The percentage quota remains unchanged for the following commodities: non-ferrous semi-manufactures, rubber tires and tubes, machinery parts, industrial sewing machines, coal tar dyes, portable air or gas compressors.

Imports of certain fabricated iron and steel sheets, sewing machine parts and brake fluids are now banned.

JAMAICA

Footwear—Importers in Jamaica were advised on June 18 that permits for imports of footwear consisting wholly or partly of leather or imitation leather, for the six months' period ending December 31, 1953, will be issued against quotas calculated on the same basis used for quotas during the period ending June 30, 1953. That is, the aggregate quantities of footwear that may be imported will be: men's, 84,000 pairs; women's, 45,000 pairs; children's, 32,000 pairs.

The official notice adds that any future reductions in permitted import quantities will be made at the expense of the import allocation and, should any general increases become necessary, they will be allocated on the usage percentage. Also. if it becomes necessary to extend quantitative restrictions beyond December 31, wider recognition will likely be given to usage performance in the calculation of quotas.

In special cases of hardship, or to take care of new traders, permits may be issued for a small additional allotment.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor Acting Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, Leopoldville 1,	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
Ceylon	†Acting Canadian Government Trade Commissioner	Galle Face Hotel, Colombo	*Mail:* P.O. Box 1006 *Cable:* Canadian *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy †Avenida Jimenez No. 7-25 Office 613, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* Canadian *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 21971
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Ireland	T. G. Major, Commercial Counsellor	†Canadian Embassy 66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 846-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
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Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
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Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 3703 *Cable:* Canadian *Tel.:* 5826

Territory	Officer	City Address	Mail and Cables, Office Telephone
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Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
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United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	R. D. Roe, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
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United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
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Venezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·005.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. June 25*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1327	
		Basic buying	·1990	
		Preferential selling	·1990	(1)
		Basic selling	·1327	
		Free	·07162	
Austria	Schilling		·03827	
Australia	Pound		2·2400	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01991	
Bolivia	Boliviano	Official	·00524	
British West Indies	Dollar		·5833	(3)
	Pound		2·8000	(4)
	Dollar	Brit. Honduras	·7000	
Brazil	Cruzeiro	Official	·05378	tax 8%
		Free	·02186	(2)
Burma	Kyat		·2100	
Ceylon	Rupee		·2100	
Chile	Peso	Official	·03320	(1)
		Commercial	·01657	
		Free	·00904	
Colombia	Peso	Basic	·3980	tax 3% (2)
		Coffee buying	·4261	
Costa Rica	Colon	Official	·1772	(5)
		Free	·1502	*May 15
Cuba	Peso		·9950	tax 2%
Czechoslovakia	Koruna		·1382	
Denmark	Krone		·1441	
Dominican Republic	Peso		·9950	
Ecuador	Sucre	Official	·06633	(6)
		Free	·05725	
Egypt	Pound		2·8572	
Fiji	Pound		2·5225	
Finland	Markka		·00433	
France	Franc		·00284	
French Africa	Franc		·00569	
French Pacific	Franc		·01565	
Germany	D Mark		·2369	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9950	
Haiti	Gourde		·1990	
Honduras	Lempira		·4975	
Hong Kong	Dollar	Free	·1643	*June 12
Iceland	Krona	Official	·06110	
		Special buying	·04707	
		Special selling	·03810	
India	Rupee		·2100	
Indonesia	Rupiah	Basic	·08728	(7)
		Dollar certificate	·00188	*May 15

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. June 25	Notes (See below)
Iran	Rial	Certificate I	·00954	*May 28
		Certificate II	·00940	*May 28
Iraq	Dinar		2·7860	
Ireland	Pound		2·8000	
Israel	Pound	Basic	2·7860	
		Special	1·3930	
		Investment	·9950	
Italy	Lira		·00160	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2865	
Mexico	Peso		·1150	
Netherlands	Guilder		·2618	
Netherlands Antilles	Guilder		·5276	
New Zealand	Pound		2·8000	
Nicaragua	Cordoba	Effective buying	·1507	(8)
		Official	·1411	
		With Surcharge I	·1236	
		With Surcharge II	·0990	
Norway	Krone		·1393	
Pakistan	Rupee		·3007	
Panama	Balboa		·9950	
Paraguay	Guarani	Basic	·06633	(1)
		With Surcharge I	·04738	(9)
		With Surcharge II	·03317	
Peru	Sol	Certificate	·06211	
Philippines	Peso		·4975	tax 17% (2)
Portugal	Escudo		·03471	
El Salvador	Colon		·3980	
Singapore & Malaya	Straits dollar		·3267	
South Africa (Union of)	Pound		2·8000	
Spain & Dependencies	Peseta	Basic buying	·04543	
		Basic selling	·08868	
		Basic commercial selling	·06058	(1)
		Free	·02525	
Sweden	Krona		·1923	
Switzerland	Franc		·2322	
Syria	Pound	Free	·2746	*May 15
Thailand	Baht	Official	·07960	(1)
		Free	·05652	*April 30
Turkey	Lira		·3554	
United Kingdom	Pound		2·8000	
United States	Dollar		·9950	
Uruguay	Peso	Official	·6550	
		Basic buying	·5590	
		Special buying	·4234	(1)
		Basic selling	·5237	
		Special selling	·4061	
Venezuela	Bolivar		·2970	(10)
Yugoslavia	Dinar		·00332	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic rate plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952

foreign **trade**

JULY 11, 1953

Report on the New Libya (page 2)

foreign trade

OL. 14 OTTAWA, JULY 11, 1953 NO. 341

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Report on the New Libya

In its 18 months as an independent kingdom, Libya has pushed development projects, with UN aid; has established a new currency and increased its exports slightly.

ROME—Libya has now completed its first 18 months as an independent state with an hereditary monarchy. The new constitution, effective since December 24, 1951, set up a federal government with Benghazi and Tripoli as dual capitals and the administrative centre at Tripoli. The three provinces—Tripolitania, Cyrenaica and Fezzan—were also given considerable autonomy. First elections for the Libyan Federal House and the representatives took place in February 1952.

Developing the Country

During the deliberations in the General Assembly of the United Nations about Libya, it was agreed to further the financial and economic development of the country and FAO, UNESCO and the ILO were all at work there in 1952. The United States Technical Assistance Service also is carrying out Point Four projects. In addition, the Libyan Government has set up the Libyan Public Development and Stabilization Agency and the Libyan Financial Corporation. The last two help to finance approved capital expenditures which normally cannot be undertaken within the Libyan budget. The financing is being arranged by the United Kingdom, France and Italy.

A new Libyan currency was introduced in March 1952, replacing the Military Authority lire, the Egyptian pound and the Tunisian franc formerly in circulation in Tripolitania, Cyrenaica and the Fezzan respectively.

The 1952-53 Libyan budget, approved by the Majlis (the Parliament), estimates expenditures at £4,984,129 and total revenue at not more than £3,600,000. A contribution from the United Kingdom and a smaller one from France will cover the deficit.

The balance of payments position in 1952 was favourable and sterling balances were available. The air base and British military expenditure largely made up the vital difference between the value of imports and of exports.

Imports for the first eight months of 1952 amounted to £5,719,800, compared with £4,473,200 for January to August 1951. Comparative export figures for the same periods were £1,549,300 and £1,609,670.

The individual provinces of Libya enjoy considerable autonomy. Moreover, because federalization is still rather in its infancy, economic information on the two more important provinces, Tripolitania and Cyrenaica, is important in assessing the overall economy.

—U.K. Information Office.

This photograph of Benghazi Harbour, taken two years ago, shows the mole being repaired and strengthened after wartime damage. The port is busy again, but still lacks proper bonded or non-bonded stores.

Tripolitania

With exceptionally good rains at the beginning of 1952, hopes ran high for bumper harvests and surpluses for export, particularly of barley. Unfortunately these hopes were dispelled as, at the end of March, Tripolitania had unusually hot, dry weather. This seriously affected the young crops, ruining an estimated 30 per cent of the wheat and between 10 per cent and 20 per cent of the barley. Olives, vines and citrus fruits were also damaged. In consequence, there were no surpluses for export.

Bad weather prevailed for the rest of the summer and until the end of October; conditions were, in fact, the worst in thirty years. In consequence, the Government imported wheat and flour from Canada to meet local needs. The barley stood up better than had been expected and the local crop supplied the home market largely because a bigger acreage was planted. The citrus fruit crop was below average. Grapes were poor and lacking in sugar content and the season's wine was of indifferent quality.

A poor crop of olives was taken off and the oil yield was low. Probably further oil supplies will have to be imported—perhaps cottonseed oil as a cheap substitute for the use of the poorer inhabitants. Almond production was given a fillip by increased U.K. imports because of restrictions imposed on almond imports from Italy. Prices were excellent and almonds should become a profitable crop; the trend is towards greater production.

74390—1½

An increasing but still small acreage of peanuts was planted and a satisfactory crop gathered. Some peanuts have been going to Europe and are said to have a good oil content. Many farms are experimenting with castor seed and prospects for this crop should be good in a season or two.

With the nationalization of the esparto* industry under the National Esparto Development Corporation, the first season was successful beyond expectations. The United Kingdom took the whole crop at prices ranging from about £40 per ton f.o.b. at the beginning of the season to £19 in the latter part.

The following indicates comparative figures for yields and prices of main agricultural crops in a typical prewar year (1938) as well as the two postwar ones:

Crop	YIELD			PRICE PER TON		
	1938	1949	1952	1938	1949	1952
	Tons	Tons	Tons	£	£	£
Barley	45,000	150,000	60,000	9	14	25
Wheat	13,500	12,000	4,000	19	25	40
Olives	19,700	60,000	5,000	10	25	50
Peanuts	500	3,000	6,000	50	60	90

Wholesale and Retail Trade

The Government introduced some changes in trade policy in March 1952 and this created some uncertainty in trading circles. Regular traders believed their business was being curtailed and were unwilling to sell. This situation arose at a time when the new currency was being introduced and a general rise in prices and a substantial rise in the cost of living followed. Towards the end of the year, to reduce prices the Government relaxed controls considerably on imports of textiles and foodstuffs, as well as on certain other products.

The export of scrap metals has long been a profitable business, but as the source of supply moved progressively farther into the hinterland, the stealing of telephone wires and metal from building and irrigation projects nearer at hand began. In addition, many ignorant persons moving and dismantling bombs and shells found in the desert suffered death or serious injuries. These unexpected factors brought a prohibition of the export of scrap metals of all kinds (except marine scrap) after stocks then held and declared by dealers were shipped. This ban was lifted in August for a three-month trial period but prices fell considerably in the interim. Subsequently, fairly substantial shipments went to both Italy and the United Kingdom.

Construction Industry

There was considerable building activity during the year, mainly to provide accommodation for the UN Technical Assistance staff and also for other organizations, or for persons connected with the air base. The housing shortage, however, continues to be acute. Dealers in building materials, furniture manufacturers, carpenters and allied trades have benefited greatly from construction projects undertaken.

The motor trade and garages and workshops had a profitable year. Demand continued strong for all types of automobiles made on the Continent or in the United Kingdom. Imports of heavy-duty trucks and buses

* Kinds of grass used in papermaking.

were high as well. Leading dealers built modern showrooms and service stations, bringing to the desert signs of the modern age. The secondhand car market and that for high-powered American cars was weakened considerably with the arrival of the new small types from Europe and Great Britain. The foreign colony as well as the domestic buyers showed a preference for these types, especially the fast sports cars.

Transport and Communications

Idris Airport (Castel Benito) reported increasing traffic throughout the year and a number of airlines in addition to those operating there now are negotiating to use it. The port of Tripoli was active and shipping space from Europe and the U.K. was much easier to get than in previous years. There were direct sailings from Tripoli to the United Kingdom but the poor crops prevented exporters, who had long sought such service, from taking advantage of it.

Apart from progress at the air base, the repairs to Tripoli harbour and the general building program there was only a modest amount of development.

The Government is working hard to encourage the tourist trade and is stressing the pleasant winter climate in its advertising in all parts of the sterling area. Cruise ships have begun calling at Tripoli and modern hotel accommodation is rapidly being extended.

Cyrenaica

As in Tripolitania, the 1951-52 crops in Cyrenaica were most disappointing. The excellent prospects up to mid-February changed rapidly with an early stoppage of the winter rains and the intense hot wind which persisted for about ten days in late March and early April. The barley crop in the Tobruk-Capuzzo area was a complete failure and in the Gebel area gave a low yield. The same was true of wheat and the Government had to import to meet local needs. The 1952-53 season, up to the end of the year, was moderately good in the Gebel area where early sowing was possible. To the west of Benghazi and east from Derna prospects were not bright. Heavy rains, however, fell at the end of the year and the situation may improve.

Sheep Breeding

Exports of sheep to Greece in the early months of 1952 were good. There was adequate grazing and breeding was satisfactory, so that at the end of the year exporters of sheep were in a sound position and the prospects for 1953 exports are good. Exports of bulls to Malta were satisfactory throughout the season.

The absence of the Greek sponge fishers reduced revenue at the eastern end of the province, but a local company was formed to exploit the sponge fisheries. By the turn of the year the outlook was good.

Benghazi became a more important port of call during the year and, with the diminishing stocks of scrap in the western end of the province, the shipment of scrap through the port of Tobruk increased. This included scrap purchased and some recovered from the Egyptian desert. Reconstruction and development of the port of Benghazi was slow and

proper bonded or non-bonded stores are still lacking. The draught restriction of 14 feet on ships entering the harbour continues and creates obvious shipping problems.

Wholesale and retail markets were greatly affected by the crop and livestock conditions but, despite difficulties, commitments were nearly all met.

Scrap metal shipments, which continued steadily throughout the year, provided the main export. Prices fluctuated throughout the year with a tendency to fall at its close. Nevertheless, there was still profit in the recovery and shipment of scrap. This trade will probably continue good for at least another year but after that will practically disappear.

Main estimated export figures for 1952 were:

Scrap metal	£950,000
Esparto	32,000
Livestock	193,000
Wool	55,000
Hides and skins	15,000

Unemployment Is Major Problem

The road and relief schemes which have been instituted by the authorities over the past several years must be continued by the Libyan Government because unemployment is still rife, especially in the Derna-Tobruk area. This situation will continue until there is some rehabilitation plan. In fact, it probably will become more acute as successful agricultural operations continue to depend on rainfall, and other means of providing water appear a long distance off. During the year, an initial shipment of 1,036 tons of halfa or esparto grass went to the United Kingdom.

—Shirley G. MacDonald
Commercial Counsellor for Canada

Air parcel post service from Canada to Great Britain went into operation on July first, says a recent announcement from the Post Office Department. The rate: one dollar for the first half-pound and 40 cents for each additional quarter pound. The sender must put a blue airmail label close to the address of every parcel accepted for air transmission and when the address appears in more than one place on the parcel, a blue airmail label must be put close to each one. The general regulations about surface parcel post to Great Britain apply to the new air service—maximum weight and dimensions, customs declaration, export licensing and currency control, etc. Air parcels, however, cannot be insured. They will go to Montreal by first class airmail and proceed from there. The Post Office expects shortly to extend this air parcel post service to other countries.

India and the Automotive Industry

Certain steps recently taken by the Indian Government prepare the way for a domestic automotive industry large enough eventually to supply the entire Indian market.

NEW DELHI—The Government of India recently made an announcement that will have a far-reaching effect on the domestic automotive industry and will radically change the Indian market for Canadian trucks, automobiles and parts. The measures to be taken are a part of, and consistent with, the Five Year Plan for the economic development of India (see *Foreign Trade*, March 21, 1953). The section of the Plan on industrial development underlined the fact that, despite the importance of the automobile in modern transport, manufacture is still in its infancy in India. The Plan emphasized the need for fostering the development of an indigenous automobile industry, instead of merely assembling vehicles from imported components.

New Restrictions in Force

Earlier this year, the Government of India referred this question to the Tariff Commission and its recommendations formed the basis for the decision to restrict the production and marketing of automobiles and trucks in India to five companies who are currently manufacturing or who have plans to manufacture automobiles and trucks within the near future. Firms now engaged in assembly only must progressively diminish their operations and stop them entirely in three years.

Of considerable interest to Canada is the fact that the Indian subsidiary of one of Canada's leading automotive companies, which has been assembling Canadian-manufactured cars and trucks in India for almost 25 years, is directly affected by these new regulations.

Twelve firms are today producing automobiles in India; seven of them are assemblers only, and five have plans to manufacture components and eventually complete vehicles. Two of the latter have made some progress toward complete manufacture. These companies, under Indian management and with Indian capital, are producing automobiles and trucks in conjunction with United States and British companies.

Size of Market

The total annual manufacturing capacity of the twelve units is 84,014 vehicles; the total production in 1951 and 1952 was only 21,577 and 14,873 vehicles respectively.

The number of automobiles registered in India is approximately 380 thousand and the annual demand for all automotive vehicles is estimated at about 25 thousand, excluding defence requirements. Approximately 40 per cent of this annual demand is for trucks. There is a limited demand for automobiles, primarily because of the low standard of living

in India, and the demand is not expected to increase appreciably in the near future. However, the demand for trucks may grow, thanks to the economic development plans in progress in this country and in particular the various transportation improvement schemes.

The Government recognizes that the establishment of an Indian automobile industry forms an integral part of a sound, progressive economy. It sees the following advantages in encouraging domestic manufacture:

- The saving of foreign exchange.
- The opening up of new employment and the provision of skill and technical knowledge for the establishment of other industries.
- The creation of a demand for the products of a large number of industries and an accelerated industrialization.
- In time of national emergency, the possibility of using the industry for defence purposes.

The Tariff Commission in its recommendations to Government stressed that the automobile industry is hindered by inadequate highway development, bad road conditions, and heavy and varying rates of taxation of commercial vehicles by State Governments.

Duties on Parts Lowered

The question of a subsidy to aid domestic manufacture was also discussed but the recommendation was that the rates of duty on parts imported into the country should be lowered. The Government of India has recently reduced duties to a level of approximately 40 per cent on "C.K.D." packs.

The Tariff Commission also recommended that the setting-up of industries related to the automotive industry should be encouraged and that manufacturers should, as far as possible, purchase the products of ancillary industries in India for use as original equipment. At present there is only a nucleus of such industries turning out pistons, rings, cylinder liners, leaf springs, batteries, tires and tubes, other rubber components such as belts and radiator hoses, gaskets, thin wall bearings, paint, light bulbs and lamps, insulated electric cable, bodies for buses, cabs and trucks.

Canadian exports of trucks, automobiles and spare parts to India in 1951 and 1952 had a value of \$3 million and \$1·7 million respectively. In 1948, when demand was keener and import licensing less strict, \$4·3 million worth of Canadian automobiles, trucks and parts went to India.

—R. K. THOMSON
Acting Commercial Secretary for Canada

In the last three years, world agricultural production has increased more rapidly than the population, says a recent FAO report. Food output has risen by about 2 per cent a year; the world population by 1·4 per cent a year. Postwar increase in agricultural output now totals 20 per cent, but this figure does not include production in Soviet Russia or China. FAO stresses that the main need today is to concentrate on agricultural production in the deficit countries, to restore the balance between production and consumption.

Japan: Trade Trends in 1953

Falling exports and rising imports are compelling the Japanese to devise new measures for stimulating their foreign trade.

TOKYO—The trading picture in Japan in the first half of 1953 has been clouded. Foreign trade has not picked up; exports have fallen below the unsatisfactory monthly average of 1952. Foreign exchange holdings have decreased in recent months and sterling holdings have practically disappeared. Domestic business has remained fairly steady but, keeping in mind Japan's dependence on foreign trade, this is not an unmixed blessing because active domestic demand has tended to keep export prices of Japanese products high.

The impending cease-fire in Korea has added to the uncertainty in business circles. The Japanese economy has been geared to dollar earnings from special procurement orders and armed forces expenditures and any appreciable reduction in these earnings would seriously affect the entire trading structure. Until the situation on dollar expenditures in Japan becomes clearer, the unease and lethargy about future domestic and foreign trading is likely to continue. Meanwhile, dollar earnings are reasonably good and import trade continues to be brisk.

Exports Decline

Japan's export trade averaged $95 million a month during the first five months of 1953. The average for the first four months was only $92 million, but the position improved in May when exports to dollar areas reached a postwar high of $49 million, compared with $40 million in April. The monthly average for exports is still below the objective of $100 million.

Though export trade has been disappointing, imports have aggregated $190 million a month during the first four months of 1953. The planned monthly forecast of imports in 1953 is $154 million but imports for April totalled $214 million, a postwar record. The extent of the decline in Japan's foreign trade in 1953 compared with 1952 is shown in the following table:

Foreign Trade of Japan

(in million dollars)

	1953		1952	
	Exports	Imports	Exports	Imports
January	79·6	188·1	107·5	129·4
February	86·9	174·5	126·4	146·5
March	114·5	187·3	122·5	192·5
April	96·1	214·2	114·7	171·5

(Source: Japanese Ministry of Finance)

The Japanese Government is seeking ways and means to correct the now chronic imbalance in the country's foreign trade. Discussions in both Tokyo and London have led colonial governments and independent

countries in the sterling area to relax import restrictions on Japanese goods. The transferability of sterling was also extended to additional countries. The effect of these measures in meeting the sterling shortage brought about by Japan's increased purchases from and decreased sales to countries in the sterling area has not yet become apparent.

Encouraging Barter Trade

The Ministry of International Trade and Industry has decided to allow still further barter trade. The import budget for April-September carries an amount of $6·5 million for barter trade. The Ministry has broadened the areas with which barter trade may be carried on, but these areas do not include the Belgian currency area, the United States, or Canada. There are no restrictions on commodities which may be imported from Soviet Russia and Red China but barter deals with other countries in raw sugar, cocoa, bananas, pineapple, pulp, raw cotton, raw wool, woollen products, resins, crude oil, heavy oil, and light oil are specifically excluded. Export of commodities on the prohibited list to the Soviet Union and Communist China will be rigidly restricted. Payment for settlement of barter deals is limited to U.S. dollars but if the Government first authorizes it, sterling may be accepted.

Trade with Southeast Asia

Japan will concentrate on improving trade with countries in Southeast Asia, markets which could be considerably developed. Measures proposed include the setting-up of a special council to study development programs in that part of Asia, the opening of consultant offices in India, Pakistan, Thailand, Burma, and possibly Indonesia to promote the sale of Japanese capital goods, and the authorizing of export associations to purchase export commodities in Japan for shipment to overseas markets. This last step is designed to prevent unnecessary competition among export firms, particularly in the Near and Middle Eastern markets. Trade agreements have been concluded with Pakistan, Formosa, Sweden, and Argentina and others will be made as and when the opportunities arise.

Export Prices High

The recent measures designed to stimulate foreign trade and to rationalize the economy have not proved particularly effective. Present currency, import and other restrictions in traditional markets have nullified Japanese attempts to expand exports.

These impediments to normal export trade have been aggravated by the high prices of most Japanese exports. The decline in the country's foreign trade therefore depends to a large degree on external factors, and no improvement is in sight. The Government is moving to tighten the internal structure, reduce production costs, cut down imports, particularly of non-essential goods, and make greater use of Japanese resources in an effort to achieve a larger measure of self-sufficiency. This action, combined with continued dollar earnings at a reasonable level, should enable Japan to balance foreign exchange receipts and payments during the present year.

—J. C. Britton
Commercial Counsellor for Canada

FAIRS and EXHIBITIONS

Shoes in Michigan

THREE TIMES A YEAR, the Michigan Shoe Travellers Club sponsors a shoe exhibit in the Hotel Statler, Detroit. The second show of the year is scheduled for July 19-21, and the third for September 12-15. Canadian companies already selling shoes in the United States may find these exhibitions a good way of enlarging their market. Similarly, companies who are thinking about sales south of the border might well visit one of these shows to find out whether they can compete with U.S. manufacturers or to discover suitable agents.

To display at these exhibitions, a Canadian manufacturer or agent must be a member of the Michigan Shoe Travellers Club. The initiation fee is $20 and annual membership fee $7.50, and applications should go to Mr. Earl Gregg, 13164 Stoepel, Detroit 4. Membership in the local club automatically makes the individual or company an associate member of the National Shoe Travellers Association and thus eligible to participate in shows in other parts of the country.

The committee organizing the Detroit Shoe Shows charges a ten-dollar fee to cover the cost of printing programs and door cards. Cost of display rooms varies with the space needed, but ranges from $9.00 to $18.00 a day. Reservations should be made through the Michigan Shoe Travellers Club.

Lyon in Retrospect

THE 35th LYON FAIR, held at Lyon, France, from April 11-20, proved successful despite the uncertain economic outlook in France just now. Exhibitors numbered 5,400; visitors, over one million. Among the highlights were:

- Exhibits by 974 foreign firms, including one Canadian company. Germany led in this field, with 435 exhibitors, Italy was second with 130, and Switzerland third, with 91.

- Business visitors from abroad were admitted free, as guests of the Fair, and a carefully planned advertising campaign attracted many colonial and foreign buyers.

- Textiles, textile machinery, machine tools and plastics were the four categories of exhibits which attracted most attention and did the greatest amount of business.

- Outstanding among the displays was that arranged by the Lyon silk industry.

- Canadian Ambassador was guest of honor at the opening ceremonies and spoke at the official luncheon which followed.

- Canadian Government stand, emphasizing possibilities for French exports in the Canadian market, aroused considerable interest.

Giftware International

NEW YORK CITY will see something new the last week in August—the first International Gift and Fancy Goods Show ever held in the United States. The place chosen is the Astor Hotel and the time, August 24-30, when the principal buyers of giftware and allied products customarily visit New York.

The show is being produced by the same organization which manages the highly successful National Hardware Show and is open to manufacturers from abroad, importers, etc., who are interested in this market. Booths will rent at $3.50 a square foot and this includes the usual stand construction—a solid panel background and wood dividing rails. Only trade buyers will be admitted for the first five days; the last two will be public days, when exhibitors may sell their samples to the general public.

For additional information or space reservations write to the International Gift and Fancy Goods Show, Suite 1103, 331 Madison Avenue, New York 17, N.Y.

Canada's exhibit at the Brussels International Trade Fair, April 25-May 10, included this display of fine Canadian furs. Even the snowman (left) wore his silver fox stole with a jaunty air.

Chile Pushes Petroleum Production

SANTIAGO—Chile's first gasoline plant began operations at the end of August 1952. Situated in the Manatiales oil field in Tierra del Fuego it will recover from the gases which accompany crude oil, liquid fuels such as propane, and butane and natural gasoline. Its distillation section is already producing from the crude petroleum enough gasoline, benzine, diesel fuel and kerosene to supply the requirements of Magallanes Province. Another section also in operation uses the stripped gases to repressurize the oil wells. This re-injection maintains the pressure and considerably increases the petroleum production. The absorption and distillation sections produce daily 80 thousand litres of propane, 50 thousand litres of butane, 25 thousand litres of natural gasoline, 30 thousand litres of gasoline, 5 thousand litres of kerosene, and 20 thousand litres of diesel oil.

The total cost of operating the plant is US$2 million and Ch.$30 million. These sums will be fully recovered in a short time through production earnings.

The Magallanes refinery reserves 90 cubic metrês of the daily crude petroleum production to supply the Magallanes zone with gasoline, paraffin and diesel oil, and this results in an annual saving of US$500 thousand.

Production Rises

Petroleum production in 1952 reached 145 thousand cubic metres compared with 121 thousand during the previous year, an increase of 19·8 per cent. During 1952 the National Petroleum Co. doubled the number of wells sunk in the Magallanes zones and there are now 40 of them producing. Fifteen of these are in permanent production. The results are considered satisfactory because 50 per cent of these wells produce petroleum and 25 per cent gas; the rest are not being worked at present. Daily production has reached 500 cubic metres a day, that is, 3,100 barrels of crude petroleum. Sales of last year's production to Uruguay benefited the exchange position by US$2·8 million. The value of 1953 exports is expected to fluctuate between $3·5 and $4 million.

An important new oil well, drilled to a depth of 2,000 metres, was reported in the Tierra del Fuego zone last January. In addition, recent borings indicating new sources of oil and gas are expected to give a decided impetus to the industry's development.

The Development Corporation's investment of more than Ch.$1,600,-000,000 has created in Magallanes an oil industry with an important future and one which should soon make Chile self-supporting in oil. Further important sums have recently been authorized to continue explorations in the zone, and geological studies are to be conducted.

The Government is also endeavouring to finance the construction of the proposed refinery in Concon, near Valparaiso. This plant is planned to handle three million litres of crude petroleum a day, enough to supply the whole of Chile with oil products.

—M. R. M. DALE
Commercial Secretary for Canada

The Philippines

Mining: Progress and Problems

Mineral production increased in 1952, but the gold mines in particular operated at a loss. But gold producers have recenty won worthwhile tax concessions from the Government.

MANILA—Greater production of base metals and of gold marked the Philippine mining industry in 1952, though many producers felt prices received were too low. The "free market" price of gold declined sharply in the first six months of 1952; prices for lead and zinc dipped towards the end of the year. However, gold prices steadied and eventually lead and zinc prices moved up. And the continuing world demand for copper, chromite and manganese revived interest in unexplored Philippine deposits of these ores.

Mineral Production

Value of mineral production increased by $13·8 million over 1951 and reached $72·1 million, though only 31 companies were operating, half the number active in 1940. Of these, 12 were mining gold, 8 manganese, 4 iron, 3 copper, 3 chrome, and 1 lead-silver.

The Bureau of Mines reports that the following prices were received:

Iron ore	9.50 per ton f.o.b.
Refractory chromite	14.50 " " "
Metallurgical chromite	28.71 " " "
Manganese	31.31 " " "
Copper (metal)	.33 per pound

The problems of the Philippines gold producers and the steps being taken to solve them should be of particular interest to Canadians. But before outlining these steps, some knowledge of the background is necessary.

Gold Producers' Problems

Ever since foreign exchange control was rigorously applied in the Philippines, the gold mines which resumed operations after the liberation have been complaining that they cannot operate at a profit. The first relief obtained was the decision of the Central Bank of the Philippines to allow the mines to sell up to 75 per cent of production on the "open market". The "official" price remained at $35 per ounce, but the open market quotations were much higher, at times reaching $60 and averaging $50.18 an ounce throughout 1952.

A survey of the combined operations of the ten leading gold mines, recently published, revealed that they operated last year at a total net loss of nearly $500 thousand. Here is the situation in greater detail:

Total outstanding paid-up capital	$18,345,542.00
Value of gold produced (at realized prices)	22,724,773.98
Cost of gold produced	23,100,704.26
Net loss for 1952	445,581.04
Total direct taxes paid	3,798,294.62
Total taxes paid (both direct and indirect taxes)	4,749,997.66
Cost of producing one ounce of gold (including taxes)	53.45
Cost of producing one ounce of gold (excluding direct taxes paid)	44.45
Taxes paid per ounce of gold produced (direct taxes only)	8.76
Number of companies operated at a loss	6
Number of companies currently in debt	5
Total amount of indebtedness of these five companies	$3,000,000.00 plus
Total number of labourers and dependents	100,000

Taxation Protested

The law requiring the payment of a 17 per cent tax on licences for foreign exchange, implemented in 1951, affected the gold mines in two ways—when they purchased replacements or new equipment, and when they remitted dividends outside the Philippines. When, therefore, the mines began to ask for further consideration of their weak financial position, they pressed particularly for relief from this foreign exchange tax, from the compensating tax (a kind of combined sales and luxury tax levied on most imports) and from the ad valorem tax on production. (The latter, for some reason, varied from 1½ to 10 per cent.)

The plan for some relief from these taxes was based on a comparison of taxes being paid by gold mines in Canada and the Philippines. A table prepared in Manila set forth the comparative position as follows:

Taxes	Philippines	Canada*
Income tax	$2·69 per oz.	$1·34 per oz.
Ad valorem royalties	2·67 " "	·56 " "
Import taxes (customs, sales & excise taxes)	2·825 " "	·36 " "
Balance taxes	·575 " "	·16 " "
Totals	$8·760 " "	$2·42 " "

* (Source: Canadian Metal Mining Association).

From this, it seems evident that the Philippines appeal for relief would not result in equality with Canadian producers. Philippine gold producers would still be paying more taxes per ounce of gold produced than Canadians.

Later, a bill was presented to Congress with some confidence, because the employment of some 100 thousand persons was involved. It seemed obvious that the industry needed relief if it was to continue to operate. It was pointed out that one mining company in 1952 had added $2½ million to the wealth of the Philippines through its gold production and yet this company showed a net loss for the period. Moreover the legislators were reminded that Philippine gold producers had received no assistance from the Government, although almost every other country had been aiding its gold producers in every way possible since 1948.

Congress received the bill for tax relief most sympathetically and ultimately approved:

- Exemption from payment of the 7 per cent compensating tax.
- Exemption from payment of the 17 per cent exchange tax on sales of foreign exchange.
- Exemption of new and of old mines resuming operations from payment of corporate income tax during the first three years of actual commercial production.

One change was made in the ad valorem tax: a flat rate of $1\frac{1}{2}$ per cent was adopted as a royalty on actual gold production. The bill was passed by both Houses on May 21 and was forwarded to the President of the Philippines for his signature.

During the discussion of the bill, the Chairman of the Ways and Means Committee estimated that whereas the old tax schedules resulted in the gold producers paying taxes amounting to $4,850,000, the proposed changes would reduce this total to $2 million a year.

The outlook for the future of other sections of the mining industry is also confused. Certain minerals—especially chromite, manganese and copper—will be in great demand and there seems to be an assured market for iron ore in Japan. Uranium deposits are reported. As for gold mining, it remains to be seen how the tax concessions will change the picture.

—Frederick Palmer
Consul General of Canada and Trade Commissioner

Italy Assists Its Sulphur Industry

ROME—The Italian sulphur industry, a traditional one in this country, has for a number of years been encountering many difficulties. They have been especially acute since the development in the early part of the century of sulphur deposits in Louisiana and, later, the exploitation of new methods of extracting sulphur located in the Southern tSates.

Italy's production of sulphur is today about 200 thousand tons a year; present ore reserves are estimated at only one million tons. Consequently, at the present rate of exploitation, the mines now in operation will be exhausted within about five years. An intense effort is being made to locate new mineral deposits and finds are expected not only in Sicily but also in the Romagne, the Marches and the Abruzzo area.

Under a recent law touching the re-organization of mining industries in Italy, the Government has allocated 950 million lire to the Ente Zolfi Italiani—the Italian Sulphur Corporation, a government-controlled body directing the production, sale and export of sulphur in Italy—for development of new mining fields and for research into better and more economical means of exploitation. This allocation will be made for three years.

Under government aegis, the sulphur industry has been examined and this has led to a nine billion lire appropriation. It is, however, clear that the allotment for research and finding of new fields is hardly adequate. It is estimated that the program for Sicily alone would require $17\frac{1}{2}$ billion lire and, for the rest of Italy, about seven billion lire. These expenditures, experts conclude, should be completed within six years.

Now serious thought is being given to the re-organization of the Ente Zolfi Italiani. Opinion is that the industrial companies running the mines, as well as the Sicilian Regional Administration, should be well represented on this body.

—Shirley G. MacDonald
Commercial Counsellor for Canada

Commodity Notes

BRAZIL

Cocoa—Sales of the 1952-53 cocoa crop now amount to about 600 thousand bags of 60 kilos to the United States, about 400 thousand bags to other foreign markets, and about 300 thousand bags to Brazilian industries. Prospects for the intermediate crop continue good and it is conservatively estimated at 700-800 thousand bags. Recent sales have been small because local industries are paying prices that exporters cannot possibly compete with. The exporters are forced to reduce their purchases and, at the end of March, U.S. buyers withdrew from the market. Until the industry has covered its requirements, there appears to be no prospect for any change in the export situation. Industrial plants can obtain an average rate of exchange for their products of about Cr.$31 per dollar, whereas exporters of cocoa beans are only allowed the official rate of Cr.$18.38 per dollar. Recent sales of old-crop cocoa to the U.S. and other markets were made at US$32.50 to US$33.50 (or equivalent) per 50 kilos, f.o.b. Small export sales of new-crop cocoa have also been effected at prices ranging from US$31 to US$33 per 50 kilos for future delivery—Rio de Janeiro, June 15.

CHILE

Butter—Import of 40 tons of butter from Argentina has been authorized. Shipments are to begin immediately and the amount may be increased to 500 tons if necessary—Santiago, June 16.

COLOMBIA

Animal Feed—Colombia's giant brewery interests, Cervecerias Bavaria, and a group of Colombian financiers have just launched a new company with an initial capital of 1,200,000 pesos ($480 thousand), which will specialize in making feed concentrates for livestock. The machinery for the plant is being purchased in the United States and production is expected to begin by October 1 of this year, with a volume of 900 tons a month, to be increased later to 1,200 tons. This plant has long been needed for Colombia's expanding livestock industry which has had to depend on imported concentrates or copra cake, a by-product of the lard and vegetable oil plants in Barranquilla. Most of the ingredients to be used by the new plant, such as cotton seed cake, yeasts, corn germ, minerals, and vitamins, are already available in the country—Bogotá, June 22.

INDIA

Raw Jute—According to the Directorate of Economics and Statistics, Ministry of Food and Agriculture, the all-Indian final estimate of jute for 1952-53 puts acreage and production at 1,834,079 acres and 4·695 million bales of 400 lb. each, compared with corresponding estimate of 1,951,148 acres and 4·678 million bales respectively, for 1951-52. This represents a decline of 117,069 acres or 6 per cent in area and an increase of 17,413 bales or 0·4 per cent in production—Bombay, June 15.

ITALY

Paper—Estimates indicate Italian paper production in 1952 totalled 564 thousand tons, consisting of 110 thousand tons of newsprint (about a 9 per cent increase over 1951), 160 thousand tons of writing and printing paper (a 2·5 per cent reduction), 134 thousand tons of wrapping and packing paper (a 5 per cent reduction), 70 thousand tons of cardboard (a 2½ per cent reduction), and 90 thousand tons of straw and special papers—Rome, June 24.

MEXICO

Fertilizer—New investments of 60 million pesos will be made in the fertilizer manufacturing industry this year to bring production up to 590 metric tons daily, the Government has announced.

Production of 100 thousand metric tons a year is reported by Guanos y Fertilizantes, a dependency of a government financing agency, Naçional Financiera. Sixty-five per cent of current production is of ammonium sulphate, and 30 per cent of superphosphates—Mexico, June 16.

NEW ZEALAND

Linseed Oil—New Zealand's biggest producer of linseed oil has announced that it will not accept any contracts for the growing of linseed in the coming season because ample supplies of seed and oil are in store—Wellington, June 16.

SWEDEN

Newsprint—Scandinavian newsprint concerns and the British Paper Control Board have agreed on unaltered prices for newsprint, i.e., £48 per ton during the second half of 1953. The British negotiators received a quota of £1,700,000 and contracts have been signed for half this sum. Swedish circles think it probable that this quota may be increased towards the end of the year—Stockholm, June 25.

UNITED KINGDOM

Motor Cars—The United Kingdom has established a £2 million quota for the import of German motor cars in 1953. In return, U.K. cars worth £2·7 million will be admitted into Western Germany. Suitable arrangements for parts are to be made. Up to now, Britain's policy has prevented imports of Continental passenger cars because its own industry was concentrating on exports. Total imports of passenger cars in 1952 were valued at £653,977—London, June 26.

Retaining the Australian Market

Those Canadian companies barred by import restrictions from selling their goods in Australia might consider other ways of retaining their hold on the market in that country.

SYDNEY—The signs of improvement in the sterling area's dollar position do not seem to extend to Australia. There dollar trade is still being curtailed and it seems unlikely that the import licensing regulations will be generally relaxed in the forseeable future. This means that the authorities will grant import licences only for essential goods which cannot be obtained in Australia nor purchased in soft currency countries. This is bad news for Canadian manufacturers of consumer goods who would like to retain or open up markets there.

New Approach Considered

With its population of $8\frac{1}{2}$ million and its relatively high standard of living and of per capita earnings, Australia is a potential market well worth fostering. Australians have, over the past few years, shown definite interest in Canadian and American-type goods and the difficulty of obtaining them because of import licensing regulations has served to stimulate the desire for them. The Australian is an individualist and his tastes are less conservative than those of his English cousins; in fact, he is receptive to new ideas and new products.

Little can be done to increase Canada's direct sale of non-essential goods to Australia for the time being because of import restrictions, but there are opportunities for Canadian companies desiring to enter this market to have their goods manufactured under licence or royalty arrangement. Few Canadian companies have seriously considered this approach, probably because they have kept hoping that the general trade position would improve. Certain companies which have made such arrangements have been able to hold the market and obtain at least some return.

Conditions Suitable

Australia's secondary industry has made spectacular progress since prewar days and now manufactures a wide range of goods. Most Australian manufacturing plants operate efficiently and the fact that a large range of industrial raw materials are close at hand ensures continued growth. Canadian manufacturers who have been hoping for a return to prewar trade conditions would be well advised to explore the possibility of having their products manufactured in Australia. In some cases it would be possible to arrange for the goods to be manufactured on a straight-out royalty basis. In others, investment in branch plants or partnership arrangements with existing Australian manufacturers might bring more satisfactory results. Increasing numbers of British and United

States firms are adopting this method of handling the Australian market and the Australian authorities favour it as a means of increasing self-sufficiency and saving overseas exchange. Canadian firms may also find that they can service the New Zealand and other soft currency markets from Australia. Otherwise, it might well be years before Canadian manufacturers can re-enter these markets with goods made in Canada.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Montreal—July 13-17
Three Rivers—July 20
Shawinigan—July 21
Quebec—July 22
Chicoutimi—July 23
Rimouski—July 24
Fredericton—July 27
Saint John—July 28-29
Halifax—July 30
Sydney—July 31
St. John's—August 3-4
Toronto—August 10-14
Hamilton—August 17-18
St. Catharines: Welland—August 19
Sarnia—August 20
Windsor: Walkerville—August 21
Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. He will visit Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, began a tour of Canada in Ottawa on June 29. His itinerary is:

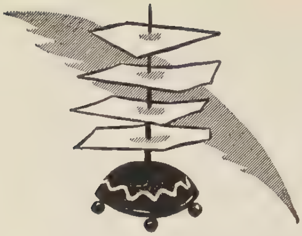
Vancouver—July 7-15
Windsor—July 20
London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

St. John's—July 14
Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. He will visit Vancouver from July 29-31.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Comerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).



General Notes

AUSTRALIA

Trade Balance Favourable—According to a preliminary survey to the end of April issued by the Acting Commonwealth Statistician, Australia had a favourable trade balance of £286·4 million for the first ten months of this year, compared with an adverse balance of £355·1 million for the same period of last year. It is now clear that the trade surplus for the full year, which ends on June 30th, will exceed £300 million.

Overseas trade in April yielded a surplus of £37·9 million compared with a trade deficit of £22·6 million in April last year. April imports totalled £43·3 million, compared with £81·7 million last year. The value of exports for the first ten months of this year is £713·2 million, compared with £564·3 million in the same period last year. Imports for the ten months totalled £426·8 million as against £921·4 million for the first ten months of 1952—Melbourne, June 15.

BRITISH GUIANA

Wage Increases for Sugar Workers—Sugar workers have been granted new bonuses and benefits which amount to a 10 per cent increase in basic wages. This follows negotiations between the Manpower Citizens' Association and the Sugar Producers' Association. The increase will add more than one million dollars to the $20 million wage bill and come at a time when sugar prices are falling, despite the recent increase granted under the Commonwealth Sugar Agreement—Port of Spain, June 18.

CUBA

Balance of Trade—During 1952 Cuba's balance of trade with her principal trading partner, the United States, was unfavourable by $54,776,936, and with Spain by $423,170. On the other hand, trade with Great Britain yielded a favourable balance of $41,534,769, and with Japan a favourable balance of $41,683,382. Sugar and its by-products, at $579,148,142, were first in value, followed by tobacco, at $40,361,523, and mineral products at $23,657,670—Havana, June 19.

FRENCH EQUATORIAL AFRICA

Foreign Trade—Exports of this territory fell by 6 per cent in value and 8 per cent in volume during 1952; imports rose over 9 per cent in value and fell 1·5 per cent in volume. Exports of oils and oilseeds,

wood, and zinc ore were all lower than during 1951. Imports of foods, petroleum products and steels rose but machinery imports were lower.

The French Union accounted for 32 per cent of total exports, the sterling area, 7·3 per cent and the dollar countries, 0·3 per cent. The French Union furnished 64·3 per cent of total imports, the sterling area 5·7 per cent, and the dollar area 9·5 per cent. The unfavourable balance of trade with the dollar area, from which the French Union as a whole suffers, also shows up in the balance of payments of French Equatorial Africa—Paris, June 26.

NORWAY

New Government Monopolies—The Norwegian Storting (Parliament) recently passed two bills providing for the establishment of two new government monopolies. The first of these bills makes provision for a state monopoly to import fishing gear and raw materials to make it. The second bill, effective from February 6, 1953, approves the establishment of a state monopoly for the import and wholesale distribution of medicines and drugs. The organization which is to deal with this monopoly is to be known as the Norwegian Medicinal Depot—Oslo, June 20.

SCOTLAND

Economic Conditions—During the past twelve months economic conditions in Scotland have tended to be somewhat less favourable than in recent years. The continued rise in unemployment is a distressing feature, particularly in the crofter counties and non-industrial areas. The Scottish iron and steel industry has suffered throughout the year from a shortage of the scrap on which it so largely depends. This, coupled with the increasing scarcity of basic materials, has affected the heavy industries generally. In textiles (apart from jute, where conditions have been more favourable than for some time past) Scottish mills have suffered from the difficult world trading situation. In spite of the large amount of modern machinery put into the mines, coal mining has failed to respond with increased production. On the credit side, agriculture has had a successful year with increased production and excellent crops—London, June 29.

WEST GERMANY

Fisheries Production—The 1952 volume of German fisheries production decreased by 2·5 per cent compared with 1951. Total production in 1952 was 638 thousand tons; in 1951, 654 thousand tons, and the annual average for 1935-38 was 669 thousand tons. Last year was the first year since the war that domestic production failed to increase. Deep trawlers accounted for 74 per cent of total landings; lugger herring fisheries, 9 per cent, and inshore cutter fisheries, 17 per cent. Trawler landings decreased because of unfavourable catching conditions during the fall herring season and the uncertain state of the market. The 1952 herring production of 280,888 tons was about 30 thousand tons below that of the previous year. Red perch catches were considerably larger than in 1951; codfish and saithe production remained unchanged. Haddock production decreased—Bonn, June 25.

Credit Conditions in Europe

Europe's credit record to date has been highly favourable; the exchange position, business and credit conditions of these countries in 1952 and prospects for 1953 are here summed up.

CERTAIN CIRCUMSTANCES which have a considerable bearing on credit conditions are, generally speaking, common to all European countries. This continent was the cradle of modern civilization and international trade. Accordingly, the Europeans long ago established the ports, inland communications, banking facilities and commodity exchanges necessary to facilitate business and service their world traders. Custom and experience have bred stable trading practices based on high commercial morality. Foreign trade always has its problems but exporters find the European market less uncertain than many other areas.

Political Factors

Stability of political institutions is general among the Western European nations and this means a business background that creates confidence. The reverse is true of the Eastern countries in the Cominform group. There are certain exceptions: the insecurity of the French and Greek Governments breeds weakness in their economic and commercial life; the Spanish Government does not always reassure domestic or foreign business interests; the strong challenge of Left Wing elements in Italy presents a possible threat to that country's otherwise stable government. And, on the other side, the Yugsolav independent Communist regime has won increasing prestige. Government regulation of trade through quantitative licensing and exchange controls has been liberal, rational and reliable in direct relation to the degree of political freedom and stability in these countries. In the most prosperous—Switzerland and Belgium—licensing and exchange controls impede trade less and dollar payment is at least as well assured as in other countries where a dependable Central Bank stands behind authorized import licences.

Economic Considerations

The trend of economic fortunes determines in large measure the credit position of countries and of merchants within those countries. A high level of economic activity gives the opportunity to achieve balanced or even favourable external trade accounts. When this is possible without inflation, it means a degree of internal financial stability that strengthens the country's exchange position and its credit structure.

Against these criteria, Belgium-Luxembourg, Denmark, the West German Republic, Netherlands, Norway, Portugal, Sweden and Switzerland all have achieved relatively satisfactory positions. Finland, Iceland, Ireland and Italy each have particular chronic postwar problems but have overcome them sufficiently to maintain a good credit status. Austria has progressively regained economic strength despite the complications of occupation and Greece has lately begun to make a real recovery, so these two promise future improvement. Turkey must solve the high cost of domestic production in order to raise the level of exports, overcome her payments deficit, and liquidate commercial arrears, if she is to regain her credit standing. France has similar problems aggravated by inflation and political uncertainty and reflected in a weakened currency rather than in unpaid foreign accounts. Yugoslavia, with foreign help, is progressing. Spain has not yet discovered the road to recovery.

Record of Experience

The Export Credits Insurance Corporation experience with exports and collections in European countries has been highly favourable to date. No single country and no individual risk has been significantly important in claims paid. Only in Turkey has there been any persistent delay in collections. Buyers in this part of the world tend to maintain good payments records and the countries themselves avoid transfer delays by orderly management of exchange resources, limited as they often are.

Experience in 1952—Prospects in 1953

Country	*Exchange Position*	*1952 Business and Credit Conditions*	*Change during Year*	*1953 Prospects*
Austria	Difficult	Fair	Slightly better	Fair
Belgium-Luxembourg	Good	Good	Little change	Satisfactory
Denmark	Fair	Good	Improvement	Good
Finland	Fair	Fair	Slightly weaker	Fair
France	Difficult	Difficult	Weaker	Difficult
Germany, Western	Satisfactory	Good	Improvement	Good
Greece	Difficult	Difficult	Improvement	Better
Iceland	Difficult	Difficult	Little change	Uncertain
Ireland	Satisfactory	Good	Improvement	Fair
Italy	Fair	Fair	Little change	Fair
Netherlands	Good	Good	Improvement	Good
Norway	Fair	Good	Improvement	Fair
Portugal	Good	Good	Little change	Satisfactory
Spain	Difficult	Difficult	Little change	Uncertain
Sweden	Satisfactory	Good	Little change	Satisfactory
Switzerland	Good	Good	Improvement	Good
Turkey	Difficult	Fair	Little change	Fair
Yugoslavia	Difficult	Fair	Little change	Fair

Trade and Tariff Regulations

BRAZIL

New Import Licensing System—The Brazilian import licensing system for the second half of 1953 was announced by the Bank of Brazil on June 15. Since January in the case of dollar imports, and March in the case of all other imports, no new requests for licences have been accepted. The introduction of the new system means that new applications to import will now be considered.

The essential products for which requests to import will be accepted during the rest of this year are divided into 20 separate groups. Licences for imports of Group I products may be applied for during the period July 1 to July 30. Requests for imports of Group II items may be made during the period July 8 to August 6. Similarly, at weekly intervals a new group becomes eligible and remains in effect for about 30 days.

Not included in this arrangement are applications for: (1) imports of petroleum, wheat and supplies for the press for which special arrangements exist; (2) urgent imports of replacement parts; (3) imports for industrial projects; (4) imports eligible for licensing without exchange coverage. Requests for licences for these items may be made at any time.

New requests for licences must be made even in cases where earlier applications had been accepted. Such new requests can only be made in accordance with the time schedules established under the new system.

The regulations apply to imports payable in any currency. There is no special list of items applicable to dollar imports. However, the announcement states that licences will be granted only within the limit of Brazil's available foreign exchange. In view of the current serious foreign exchange shortage in Brazil, licences for dollar imports will probably be issued for only the most essential items.

Information on the status of particular commodities may be obtained from the International Trade Relations Branch.

NORTHERN RHODESIA

Dollar Allocations—The import control authorities of Northern Rhodesia have announced that the dollar import allocation for the second half of 1953 will amount to £619,985. This total is slightly less than that for the first six months of the year, when merchants were allocated £720,645. This figure does not include currency allocated to mining companies or any allocation which the Government may itself spend.

The total dollar appropriation is broken down into different categories. The largest allocations are for timber, £260,000; machinery spares, £116,675, and tractors, £100,000. Other allocations include: earth-moving machinery, £44,200; dried milk, £20,000; tallow, £14,500; electric power equipment, £12,500; newsprint, £10,000; machinery other than agriculture and earth-moving machinery, £9,850; agricultural machinery, £6,835; drugs, vaccines, serums and soil fumigants, £6,700; milk-based infant foods, £5,000; bitumen, £5,625; mining materials, £4,750; hog casings (sausage skins), £2,500.

There is a non-dollar, non-sterling currency allocation of £336,-850, of which timber (£99,000) and iron and steel (£86,500) are the most important.

UNITED KINGDOM

Private Trading in Aluminum Restored—Another key material, aluminum, is to be turned back to private trade on July 1st, when the Control of Aluminum Order will be revoked. Consultations have been going on with consumers through the aluminum industry council and details of the licensing arrangements for private imports will be announced shortly.

The agreement between the Aluminum Company of Canada and the United Kingdom Government in 1950 and 1951 secured for Britain substantial supplies for the next 20 years, by firm contract until the end of 1955 and by yearly options thereafter. The Ministry of Materials say that the substantial benefit gained by the United Kingdom under these arrangements will be retained under private trading. The metal will be offered to the industry instead of to the Ministry. The Aluminum Company has, as from July 1st, reduced the contract price by three-quarters of a cent per lb., equivalent to £6 a ton. The benefit of this reduction will be passed on to the industry, as the company has agreed not to charge more than the Ministry would have charged. In order that, under private trading, the options after 1955 may be effectively implemented, the Ministry have accepted an obligation for the following five years to buy up to 20 thousand tons a year of unsold metal within the option quantities. The agreement also includes the transfer to the company by the Government of trading stocks valued at about £5 million—London, June 23.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Department of Trade and Commerce

HEAD OFFICE DIRECTORY

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

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Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0056.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. July 2*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1326	
		Basic buying	·1989	
		Preferential selling	·1989	(1)
		Basic selling	·1326	
		Free	·07158	
Austria	Schilling		·03825	
Australia	Pound		2·2390	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01990	
Bolivia	Boliviano	Official	·00523	
British West Indies	Dollar		·5831	(3)
	Pound		2·7987	(4)
	Dollar	Brit. Honduras	·6997	
Brazil	Cruzeiro	Official	·05375	tax 8%
		Free	·02247	(2)
Burma	Kyat		·2099	
Ceylon	Rupee		·2099	
Chile	Peso	Official	·03202	(1)
		Commercial	·01655	
		Free Banking	·00904	
Colombia	Peso	Basic	·3977	tax 3% (2)
		Coffee buying	·4258	
Costa Rica	Colon	Official	·1771	(5)
		Free	·1502	*May 15
Cuba	Peso		·9944	tax 2%
Czechoslovakia	Koruna		·1381	
Denmark	Krone		·1440	
Dominican Republic	Peso		·9944	
Ecuador	Sucre	Official	·06629	(6)
		Free	·05721	
Egypt	Pound		2·8554	
Fiji	Pound		2·5214	
Finland	Markka		·00432	
France	Franc		·00284	
French Africa	Franc		·00568	
French Pacific	Franc		·01562	
Germany	D Mark		·2368	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9944	
Haiti	Gourde		·1989	
Honduras	Lempira		·4972	
Hong Kong	Dollar	Free	·1644	*June 19
Iceland	Krona	Official	·06106	
		Special buying	·04704	
		Special selling	·03807	
India	Rupee		·2099	
Indonesia	Rupiah	Basic	·08723	(7)
		Dollar certificate	·00188	*May 15

* Latest available quotation date.

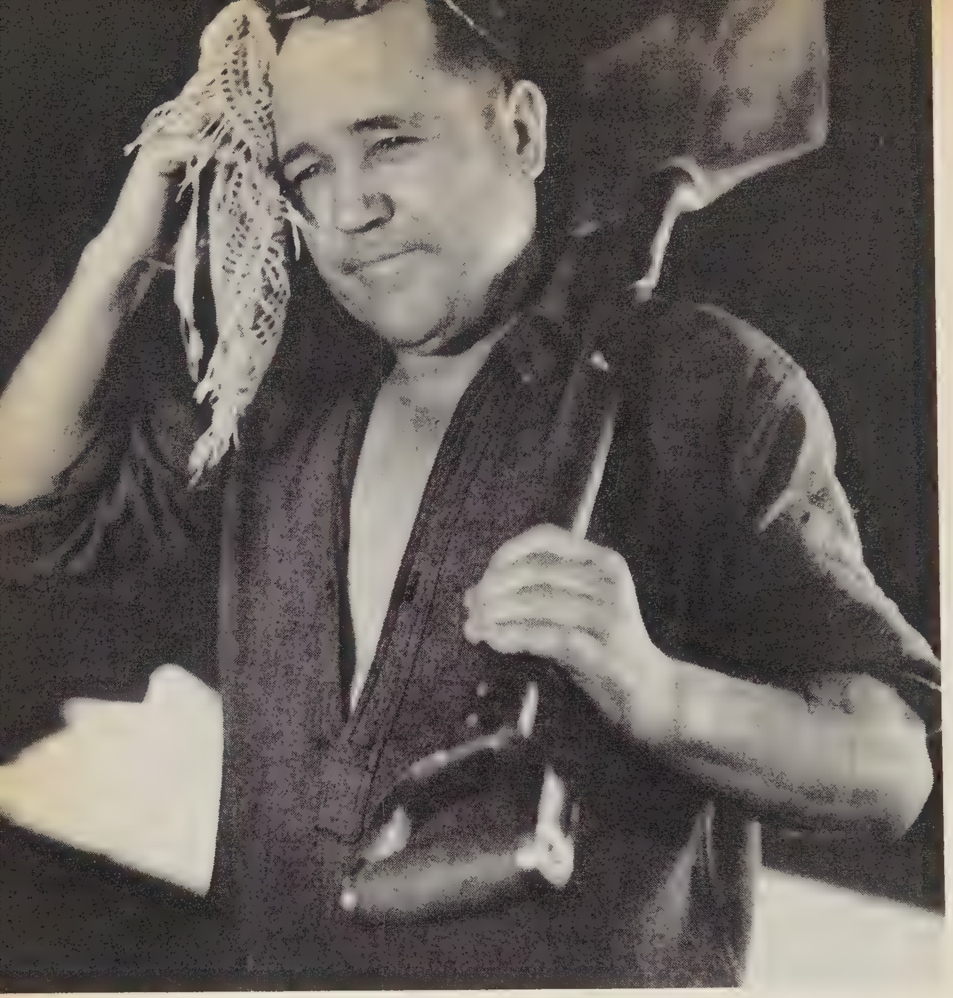
Country	Unit	Type of Exchange	Canadian dollar equiv. July 2	Notes (See below)
Iran	Rial	Certificate I	·00954	*May 28
		Certificate II	·00940	*May 28
Iraq	Dinar		2·7842	
Ireland	Pound		2·7987	
Israel	Pound	Basic	2·7842	
		Special	1·3921	
		Investment	·9944	
Italy	Lira		·00160	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2864	*
Mexico	Peso		·1150	
Netherlands	Guilder		·2617	
Netherlands Antilles	Guilder		·5273	
New Zealand	Pound		2·7987	
Nicaragua	Cordoba	Effective buying	·1506	(8)
		Official selling	·1410	
		With Surcharge I	·1235	
		With Surcharge II	·0989	
Norway	Krone		·1392	
Pakistan	Rupee		·3005	
Panama	Balboa		·9944	
Paraguay	Guarani	Basic	·06629	(1)
		With Surcharge I	·04735	(9)
		With Surcharge II	·03314	
Peru	Sol	Certificate	·06207	
Philippines	Peso		·4972	tax 17% (2)
Portugal	Escudo		·03470	
El Salvador	Colon		·3977	
Singapore & Malaya	Straits dollar		·3265	
South Africa (Union of)	Pound		2·7987	
Spain & Dependencies	Peseta	Basic buying	·04541	
		Basic selling	·08862	
		Basic commercial selling	·06054	(1)
		Free	·02524	
Sweden	Krona		·1922	
Switzerland	Franc		·2320	
Syria	Pound	Free	·2746	*May 15
Thailand	Baht	Official	·07955	(1)
		Free	·05652	*April 30
Turkey	Lira		·3551	
United Kingdom	Pound		2·7987	
United States	Dollar		·9944	
Uruguay	Peso	Official	·6546	
		Basic buying	·5586	
		Special buying	·4231	(1)
		Basic selling	·5233	
		Special selling	·4058	
Venezuela	Bolivar		·2968	(10)
Yugoslavia	Dinar		·00331	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



so you think it's pretty ho

.....well just take a look at this Australian steel worker. Still, we can sympathize with you. You may not be heaving coal i a furnace, but you have other reasons to mop your brow.

Sitting in an office, thinking about export sales, about how to keep customers happy and stay ahead of the other fellow — all this doesn't help the mid-summer heat and humidity.

What can help is knowing the answers to your problems. Many businessmen find some of the answers in *Foreign Trade* — cold fa clearly and concisely presented. They keep reading *Foreign Tra* throughout the summer, so that come cool September they're equipped for the business ahead.

foreign trade

JULY 18, 1953

France: The Agricultural Outlook (page 2)

Information Please

The average Trade Commissioner, as he moves from post to post and as his experience broadens, finds that his duties can't be fitted neatly into a "job description". He helps the Canadian and the foreign businessman to get together; he acts as a "trouble shooter" when transactions get snarled; he carries out market studies; he reports developments in his territory to the Department at home. And often he serves as a living encyclopaedia on Canada.

What kind of questions does he have to answer? Many of his correspondents or visitors want to know about setting up branch plants in Canada . . . one office answers 226 of these inquiries in a single year. Some seek more unusual information —about Norway's trapping laws . . . how the United States administers its national parks . . . how herring preservatives are used . . . where to find a Spanish-speaking secretary interested in working in Canada . . . the immigration requirements for prospective settlers.

Sometimes the Trade Commissioner has to play the expert in public. Many of them are asked, from time to time, to appear on radio programs about Canada broadcast over local stations. The officer in Manila, for instance, was invited to be the star attraction on a half-hour program and, following a brief interlude of Canadian music, he answered questions about Canada's government, industries and culture.

When a Trade Commissioner moves to a post where Canada does not maintain a diplomatic mission, his information duties increase. That phrase includes many things. The Hong Kong office maintains a library of 75 films and circulates them in that area and in Taiwan . . . the New Orleans office sent out last year 403 "Teachers' Packages", containing literature about Canada . . the Ceylon office loaned, on request, silk screen pictures by Canadian artists . . . the Detroit office made arrangements for 693 showings of films on Canada.

And that's not all the story. The Trade Commissioner must needs be a public speaker, too—at service clubs, at official functions, before women's organizations and many other groups. One officer even reports that he was called upon to present a stuffed and mounted Canadian beaver to a school museum!

—The Editor

foreign trade

'OL. 14 OTTAWA, JULY 18, 1953 NO. 342

ER . . . This farm wo-
; from the Bresse region
nce, well-known for the
quality of its poultry.
expects a good year
er farmers; foot and
disease is on the wane,
grain crops are expect-
or a report on French
lture in 1953, see page

to by French Information

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

France

The Agricultural Outlook

With good grain crops expected, foot and mouth disease waning, and steps being taken to make export prices of his products more competitive, the French farmer expects a good year.

PARIS—The outlook for French agriculture in June 1953 is considerably brighter than at the same time last year. The prospects for grain crops are better and production may approach the 1952 record. The main improvement, however, lies in the marked decline in foot and mouth disease since last fall.

Grain Crops

The area planted to grain crops in May was about the same as last year—8,062,000 hectares. There are, however, changes within this overall total. Excess rainfall in the autumn and early winter cut the wheat acreage to 4,125,000, or 3·5 per cent below last year. Rye sowings are also smaller by 8·4 per cent but the plantings to barley (up by 12 per cent) and oats (up by 2·3 per cent) help to compensate for these reductions.

Wheat sowings in the main production zones, in the Departements around Paris and to the north, are equal to or even higher than last year; with good growing conditions, yields should be on a par with last year. The first official estimate of the 1953 wheat crop is 7·9 million metric tons, only slightly lower than last year's record crop of 8·4 million tons.

The first official estimate of 1953 grain crops is:

	Estimate June 1, 1953 (in metric tons)	1952 Crops	Average 1947-1951 (metric tons)
Wheat	7,947,360	8,421,070	6,759,820
Wheat and rye	31,060	36,740	40,470
Rye	453,640	481,520	553,500
Barley	1,938,110	1,729,130	1,414,080
Oats	3,419,290	3,354,850	3,284,160
Mixed grain	148,590	146,800	149,430
Total	13,938,050	14,170,110	12,201,460

Marketing Wheat

The French Grain Board has not yet announced the prices at which it will buy this year's crops, but it is expected that there will be no great change from last year. The current basic price to the farmer of 3,600 francs per 100 kilos is considerably above the International Wheat Agreement price at which France has contracted to export. To offset this difference, there is a small charge to the farmers, varying with the quantity of wheat delivered. France has been shipping wheat to Germany

—French Information Service

France is helping her farmers by amplifying the credit policy for loans, investing in projects to raise living standards and teach agricultural techniques. Here, sugar beets are cultivated in Picardy.

at the I.W.A. price; however, exporting under the I.W.A. quota involves certain losses as compared with the domestic price and for the new Wheat Agreement the French quota has been reduced from 111,283 tons to 10,000 tons.

This does not mean that France is less optimistic about building up an export market but rather that, as yet, it does not feel certain of an exportable surplus from each crop. Furthermore, it is hoping to sell at a more advantageous price if its plan for the integration of European agriculture (Pool Vert) can establish a marketing arrangement for wheat, now considered to be the first step. The French are hoping to arrive at a compromise somewhere between the I.W.A. and the free market price and on that basis arrange contracts which would give them an assured market in the light of their projected expansion program.

Foot and Mouth Disease

The main feature in the livestock situation has been the successful attack on the foot and mouth epidemic. Since last August the number of cases has gone down steadily and by May 1953 the number of new ones was back to the level of the beginning of 1952, when the epidemic took a serious turn. The decline is shown in the following figures:

	Farms under quarantine	INFECTED Cattle	Sheep	Hogs
Oct. 1-15, 1952	77,415	32.992	9,194	11,059
Jan. 1-15, 1953	33,078	12,705	4,377	3,188
Mar. 1-15, 1953	25,247	6.727	1,549	1,793
April 1-15, 1953	17,219	3,265	1,474	920

Advance information on the position in mid-May indicates that the number of farms under quarantine is down to 10,180, of which 9,594 are concentrated in the Departement of La Manche bordering the Channel.

74392—2

The number of Departements infected is now 67 compared with 90 last summer. In April, the Minister of Agriculture was empowered to decree the compulsory vaccination of livestock against foot and mouth disease. So far, no action has been taken and, in view of the decline, the Ministry is waiting to see where to apply such measures most effectively.

Livestock Prices

Prices at La Villette, the Paris livestock market, showed no great change during the first six months of the year. Generally, the price for veal and mutton on a dressed basis strengthened some 10 to 20 francs per kilo and beef prices were slightly lower. Prices for hogs, live-weight, declined until the end of April but have since recovered to the level of last January. Compared with the same period last year, prices have been slightly lower. It is interesting to note that, despite lower prices at the livestock market, the retail price for good cuts of meat is about 10 per cent higher than this time last year. This points up a fact which makes French food prices so high at home and frequently uncompetitive abroad —the margin of profit taken at each stage between producer and consumer.

In the light of improved agricultural prospects, the French Government has adopted certain measures to aid marketing, the first to stabilize the domestic market by control of imports and exports, and the second to reduce farm costs.

Foreign Trade

In April, because of a serious deficit with countries of the European Payments Union, the French Government announced a cut of the equivalent of $5 million a month in imports of meat, butter and eggs over the next six months. However, these measures, though they seal off the domestic market against foreign competition, are not as stringent as they would appear because this is normally a time of self-sufficiency in these products. Pastures are in good condition and with the foot and mouth epidemic under control, the output of livestock products is expected to be considerably higher than last summer. To stabilize the price and provide for winter requirements, there are plans to stockpile butter and a goal of 20 thousand tons has been set.

At the same time, to regain the ground lost last year in agricultural exports the French Government has taken steps to make French prices more competitive. The chief among these are the rebate of certain taxes and charges on exports (which range from 4 to 12 per cent, depending upon the product) and a reduction in rail rates (ranging from 15 to 50 per cent on fruit and vegetables).

The available foreign trade figures for the year to date do not yet reflect these efforts. The percentage of agricultural products making up French trade with foreign countries shows, during the first quarter of this year, an accentuation of 1952's adverse trend. For exports, the percentage declined from 15·1 in the year 1951 and 11·5 in 1952 to 9·5 during the first three months of this year. For imports, the position was reversed—the proportion rose from 15·6 per cent in 1951 and 16·5 per cent in 1952 to 17·3 per cent for the first quarter of 1953.

As might be expected, it is in livestock products that French foreign trade has suffered most. Butter shows the most marked difference, with imports for the first quarter of the year totalling 14,816 tons, compared

with only 150 tons for the same period last year. However, it could not be expected that foreign trade statistics would improve in the late winter, but by midsummer the situation should be better.

Furthermore, efforts have been made to reduce farm costs by waiving internal sales taxes on grain for feed, by a 25 per cent reduction in the price of jute bags, and by certain measures designed to lower fertilizer prices. The official index of items affecting farm production costs declined moderately in March 1953 compared with last year.

Index of Farming Costs

1949=100

	1951		1952		1953
	March	Sept.	March	Sept.	March
Total	113·6	128·5	153·7	141·7	139·9
Energy	107·5	110·7	116·1	114·9	113·5
Construction	113·4	136·5	158·5	149·1	144·0
Fertilizers, Insecticides	110·2	122·3	163·2	138·0	141·2
Machinery and equipment	110·0	131·4	155·8	149·0	149·0
Other	144·5	162·0	183·7	174·3	156·6

Credit Policy Amplified

To make French agriculture more efficient, the Government realizes that credit must be readily available at reasonable rates. One step in this direction was the increase from 35,000 to 40,000 million francs for the ceiling of rediscounts by the Bank of France for the Caisse Nationale des Credits Agricoles, an entity of the Ministry of Agriculture handling farm loans (350 francs to the U.S. dollar).

Government Investments

Certain details about projected government investments in agricultural projects during the current year have been made public. The objectives are the raising of living standards in rural areas by electrification and improved housing, and the teaching of agricultural techniques by means of extension services, pilot farms, etc. It is expected that credits totalling 15,000 million francs will be available for these tasks in 1953, compared with 13,000 million in 1952.

—VIVIAN F. WIGHTMAN
Office of the Commercial Counsellor for Canada

Canada's mineral production is continuing to increase, with output for the first four months of 1953 greater than for January-May 1952. Cement, clay products, gypsum, iron ore, lead, natural gas, petroleum, silver and zinc all showed increases. Iron ore production, for example, rose from 524 thousand to 932 thousand tons; lead from 56 thousand to 69 thousand tons; cement from 5·1 million to nearly six million barrels; and petroleum from 14·9 million to 20·4 million barrels.

Not every mineral shared in the advance. Production of asbestos, coal, lime and salt declined. Asbestos fell from 298 thousand to 293 thousand tons; coal from 6·2 million to 5·4 million tons; lime from 394 thousand to 387 thousand tons, and salt from 310 thousand to 295 thousand tons.

74392—2½

Canada's Trade with West Germany

Sales of Canadian goods in this market have risen spectacularly in the past three years—but the outlook is somewhat clouded.

BONN—In 1952, Germany imported $125 million worth of goods from Canada, according to German official statistics. The Dominion Bureau of Statistics puts Canadian exports to Germany at $95 million for the year. However, the German figures probably reflect the actual position more closely, because they include the very large movements—either physically or in a documentary sense—through third countries, principally the United Kingdom, Belgium and the Netherlands. On this basis, Germany was Canada's third largest export market in 1952, exceeded only by the United States and the United Kingdom.

This great increase has taken place within the past three years; the table which follows gives the details:

	1950	1951	1952
	(millions of dollars)		
Exports to Germany	9	37	95
Imports from Germany	11	30	25
Balance in Canada's favour	— 2	+ 7	+70

D.B.S. statistics.

Germany became (according to these Canadian figures) Canada's fifth largest export market in 1952, exceeded only by the United States, the United Kingdom, Belgium and Japan—in that order.

Present Exports to Germany

Canadian exports to Germany consist almost entirely of bulk foodstuffs (chiefly barley, wheat and rye) and of raw or semi-processed industrial materials such as forest products (chiefly pitprops, pulpwood, wood pulp and newsprint); iron ore; non-ferrous ores and metals (chiefly lead, aluminum, copper, zinc, brass and ferro-silicon); asbestos, and synthetic rubber.

Broadly speaking, there is little or no possibility at present or in the immediate future of selling Canadian processed foodstuffs or manufactured products in West Germany. There are some exceptions: large quantities of whisky are now being sold for the use of the American and Canadian forces in Germany.

Smaller quantities of whisky, small amounts of certain processed foodstuffs and of a few manufactured products (such as ice skates) are also being sold through transit or compensation deals, or by using the small dollar allocations which the German Ministries of Economy and of Food and Agriculture make available from time to time in connection with certain specified German international trade fairs. (These transactions serve as a kind of Token Import Scheme.) Such sales, however,

are usually possible only with a good deal of trouble. As a rule too they are only worth attempting by firms who feel that their products may find a long-term outlet in the German market.

Outlook for Canadian Exports

The large Canadian exports in 1952 were the result of a combination of favourable circumstances:

- Exceptionally heavy demands for feeding-stuffs in Germany itself.

- Unusual shortages in alternative sources of supply such as Argentina.

- A decision by the United Kingdom authorities to permit transit operations—that is, to make dollars available from July 1952 on to buy certain goods to be resold to EPU countries. (The main reason for this decision was apparently the heavy British deficit on EPU account.)

- The favourable climate for compensation operations.

The following figures from the German Ministry of Food and Agriculture give an idea of the part played by transit and compensation operations. They give the breakdown, by means of financing, of its imports of Canadian grain during the nine months from July 1, 1952 to March 31, 1953.

Barley

Total imports	472,500	tons
of which:		
By transit	442,000	"
By compensation	24,500	"
By free dollars	6,000	"

Wheat

Total imports	472,500	tons
of which:		
By transit	3,000	"
By compensation	9,500	"
By free dollars	460,000	"

Rye

Total imports	140,500	tons
of which:		
By transit	....	
By compensation	140,500	"
By free dollars	....	

Dollar Problem

The above figures illustrate the fact that the dollar problem is, like peace, "indivisible". Three-cornered operations, whether they are between individuals or countries and whether they are called transit, compensation or barter deals, do not add to the overall dollar availabilities. In the cases just reviewed, the operations were possible for Germany because she was (and is) a heavy creditor both on EPU account and as against what the Bank Deutscher Laender (the German Central Bank) calls "other offset account countries". All these facts, and Germany's relations with the EPU countries (see *Foreign Trade* of June 27, 1953) have a bearing on the future of Canada's trade with the Republic.

—BRUCE MACDONALD
Commercial Counsellor for Canada

Japan Buys Canadian Barley

Is the market for barley in Japan purely temporary or is it likely to continue? This analysis gives ground for optimism.

TOKYO—Back in 1950 Japan, with her supplies of rice dropping far below the demand, turned to pressed barley* as a nourishing and inexpensive substitute. This development has opened up a new market for Canadian barley; in 1952, barley exports to Japan totalled nearly $40 million and led all other Canadian exports to that market in value.

Canadian producers have been wondering whether these sales will continue. The figures for the first six months of 1953 promise well; they show that consumption of pressed barley was even higher than in 1952. The number of plants producing "Seibaku" (the Japanese designation for processed barley) did not increase and, in fact, the industry is operating at about only 70 per cent of capacity.

Most of the production is used in Japan itself; exports of pressed barley in 1953 totalled only 15,000 metric tons, shipped to Korea during March and April. A further 10,000 tons will probably go to the same market in August. Because the domestic demand for pressed barley is increasing, it may perhaps be gradually accepted in other rice-consuming countries as a rice substitute. (The process for making this type of barley was worked out by the Japanese.)

Consumption Increases

The 1952 consumption of pressed barley in Japan was about a million metric tons. Consumption in the first six months of 1953 is shown below:

Month	1953 (metric tons)
January	56,300
February	72,824
March	80,824
April	80,500
May	81,500
*June	171,000
Total	542,948

Source—Cereal Processing Industry Club, Inc.

* Figures for the last half of the month are estimated.

These figures substantiate the industry's claims that demand is growing. The substantial increase in consumption in June came primarily from the shortage of grey or black market rice, which is scarce at the beginning of the rice-planting season in most areas of Japan. The Japanese barley crop, furthermore, is being harvested in many parts of the country and substantial domestic supplies of barley are available for processing.

* See *Foreign Trade* of January 10, 1953.

The steady growth of the Japanese barley processing industry has created a market for substantial quantities of imported barley. Local production does not begin to meet the demand for barley for processing, malting, confectionery and the manufacture of soybean paste. Canadian Compana barley is eminently suited to the manufacture of this commodity and that is why Canada is sharing in the trade more and more. Japanese imports of barley from all sources come close to one million tons a year. Because processed barley complements rice, provides the proteins lacking in that grain and is relatively low-priced and palatable when mixed with rice, demand seems certain to grow. The prospects of continuing barley sales to Japan are bright.

—J. C. Britton
Commercial Counsellor for Canada

Australia and New Zealand

Dairy Products for Britain

THE UNITED KINGDOM has just completed negotiations with Australia and New Zealand on prices for butter and cheese during the 1953-54 season.

The new prices, which are listed below with comparisons, represent increases of about 3 per cent for both products. The permissible maximum increases under the terms of the present long-term contracts are 7½ per cent. These prices are f.o.b. Australia and New Zealand.

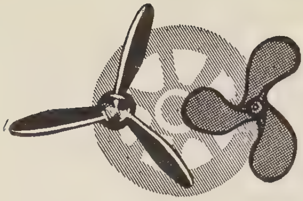
	1952-53	1953-54	
	(per long cwt.)	(per long cwt.)	(cents per lb.)
Butter	314/—	326/—	40·7
Cheese	176/—	182/6	22·7

The quantities of butter and cheese that New Zealand is permitted to export to countries other than the U.K. have been decreased from 12½ per cent and 10 per cent of the exportable surpluses to 10 per cent and 7½ per cent. It is understood that Australia may ship to markets other than the U.K. the same quantity of butter and cheese as last year—13,500 long tons butter equivalent.

The prices for dried milk under the contract with New Zealand have been decreased by about 7½ per cent and are as follows:

	1952-53	1953-54	
	(per long cwt.)	(per long cwt.)	(cents per lb.)
Spray skim powder	91/—	84/6	10·5
Rolled skim powder	75/6	70/—	8·7
Buttermilk powder..	65/—	60/—	7·5

74392—3½



Transportation Notes

India Nationalizes Its Airlines

NEW DELHI—On May 9, 1953, the Indian Parliament passed a Bill providing for the nationalization of Indian commercial airlines by June 30, 1953. These airlines include Air India, Air India International, Bharat Airways, Air Services of India, Airways India, Indian National Airways, Himalayan Aviation, Kalinga Airways and Deccan Airways.

The Reasons

In explaining its decision to take over the airlines, the Indian Government referred to the Air Transport Inquiry Committee which was appointed in 1950 to report on the state of the industry. This committee recommended that the industry remain under private enterprise for five years and if, within this period, the airlines did not achieve greater financial stability, nationalization should be considered. Since March 1949 the Government of India has been paying a subsidy to the airlines based on petrol usage, and it also holds a substantial share of the stock of two of them. Despite this subsidy and other assistance, the Indian Government considers that no appreciable financial improvement has resulted and that there is no chance of the airlines becoming self-sufficient and independent in the near future.

The main causes of the difficulties which the Indian airlines face are said to be duplication of services and poor utilization of aircraft because of the large number of airlines in operation, the obsolescence of certain aircraft, the inability of the companies to finance replacement, and the high operating costs.

The Method

The Bill passed by the Indian Parliament provides for the establishment of two government corporations, one to take over all internal air services and the other all international operations. All personnel currently employed by the Indian airlines will be absorbed by these two corporations. Existing airlines will receive compensation amounting to approximately Rs.48 million (approximately \$9·6 million Canadian) based on a calculation of their assets. It is understood that the Corporation administering the internal air services will be called Indian Airlines, and the Corporation administering the international airlines will be Air-India International.

India's Five-Year Plan makes provision for the purchase of new aircraft and for the payment of compensation. The amount allotted for the two purposes is Rs.95 million (approximately $19 million Canadian). Large-scale improvements in India's air services are apparently planned, including the purchase of two Comets Mark III and two Super-Constellations.

Progress Made

From modest beginnings, commencing with the carriage of mail by air as early as 1930, civil aviation in India has made remarkable progress and operates efficiently scheduled and non-scheduled air transport services in India and abroad. Some of the more important centres served by Indian airlines' international services include Paris, London, Rome, Cairo, Aden, Nairobi, Kabul (Afghanistan), Rangoon, Bangkok, Singapore, Djakarta, Chittagong and Dacca.

In 1952, Indian commercial aircraft on scheduled services flew an estimated 20 million miles and carried over 430 thousand passengers, 75 million lb. of freight and over 8 million lb. of mail. The progress achieved during the past few years is illustrated by the fact that these figures represent an increase of 100 per cent in miles flown and passengers carried and an increase of 1,500 per cent in freight carried, compared with the year 1947. In 1952, non-scheduled air transport services flew an additional estimated 5·8 million miles and carried 83,790 passengers and 137·6 million lb. of freight.

Aircraft flown by Indian commercial airlines include Constellation and Skymaster aircraft on international runs and Dakota and Viking aircraft on domestic runs and on those to adjacent countries.

—R. K. THOMSON
Acting Commercial Secretary for Canada

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Norway Increases Metal Exports

OSLO—For the past several years, Norwegian exports of ores, iron, steel and metals have increased steadily. Even in 1952, when the value of most other Norwegian exports declined considerably, export sales of ores and metals came to Kr.902 million—or about Kr.200 million more than in 1951—and represented 24 per cent of the country's total exports. In 1947 exports of these products were valued at Kr.240 million, or 14 per cent of total exports.

Extensive war damage to the mines and producing plants was mainly responsible for the delayed resumption of ore and metal exports after 1945, but today reconstruction is virtually complete. In many cases the original productive capacity has been expanded considerably.

Iron Ore Sales Up

The notable increase in ore and metal exports in 1952 stemmed largely from greater sales of iron ore and these sales in turn reflect the resumed operations of Norway's largest mining company, A/S Sydvaranger. Installations at this plant, situated in the remote northeast corner of Norway near the Norwegian-Soviet boundary, were completely destroyed by the German occupation forces in 1944. Restoration took seven years and the mines only began to produce again in the summer of 1952. For the rest of the year, however, the company enjoyed an unusually favourable market and its sales became an important new source of foreign exchange.

Other Metal Exports

Exports of pyrites also increased substantially, mainly because of the recent entry into production of a second company, Skoraavas Gruber. Foreign sales moved up to Kr.40 million in 1952 from Kr.24·2 million in the previous year.

Production of ferro-silicon now stands at approximately 100 thousand tons a year, as compared with 40 thousand tons prewar, and the output of other ferro-alloys has also increased considerably. The greater part of this production is exported and in 1952 export sales of this group reached nearly Kr.300 million, compared with Kr.222 million in 1951 and Kr.182 million in 1950.

Pig iron, certain special types of steel, ships' propellers, other marine fittings and steel wire comprise the bulk of Norway's sales of general iron and steel products. These advanced from Kr.27·8 million in 1951 to Kr.47 million last year.

Apart from ores, ferro-alloys and iron and steel, the principal metals figuring in Norway's export trade are aluminum, nickel, zinc and copper. Total exports of this group in 1952 were valued at Kr.381 million (352 million in 1951 and 277 million in 1950). Exports of metallic magnesium, recently begun, have not yet shown up in the statistics but foreign sales are expected to become important in the future.

—J. L. Mutter
Commercial Secretary for Canada

Egypt and Its Economic Problems

The last twelve months have witnessed a determined attempt to ease the land problem, increase agricultural production, build up industry, and revive a lagging foreign trade.

CAIRO—The second half of 1952 saw the new regime in Egypt introduce legislation intended to re-organize the economic structure of the country, eliminate corruption, reduce costs, and raise the general standard of living. The full effect of these measures will not be felt for some time because some have still to be implemented.

The first objective was the lowering of the high cost of living. A price-fixing organization was set up and as a result, many essential commodities, particularly fruit and vegetables, completely disappeared from the local market. Now certain items have been exempted from price control and are gradually re-appearing at their former price. Although on paper the cost of living is decreasing, the housewife has not found living costs much lower.

Land Reform Begun

The Land Reform Bill introduced late in 1952 was considered vital, especially for Egyptian agriculture. In July 1952 the regime announced its policy of dividing up large estates and redistributing agricultural land. In September the Land Reform Bill was passed. It fixed a maximum limit of 200 acres per person, or up to 300 acres for a landowner with two or more children. Any lands in excess were to be transferred to the Government, in return for bonds bearing 3 per cent interest and redeemable within 30 years. The expropriated lands will be distributed in small lots up to five acres to the landless peasants living in the areas affected. The new owners will be required to pay, over thirty years, the value of the land as fixed by the Government.

Large Owners Hard Hit

The bigger landowners have been particularly hard hit by the new law, under which they must pay a supplementary land tax five times the normal rate for all land over the 200-300 acres they are entitled to keep. As a result, they are trying to dispose of their surplus holdings as quickly as possible. This in turn has brought a fall in values and a feeling of uncertainty about land values in general. The law does not apply to land companies whose primary function is the reclamation of areas hitherto uncultivated.

To appreciate the sense and intention of this law it is important to bear certain facts in mind. Egypt has always been an agricultural country. The area currently under cultivation is about six million acres, an increase of only 7 per cent in the past forty years, despite land reclamation carried out by public and private interests and a population

—U.K. Information Office

This photograph of construction on the Aswan Dam was taken early in 1902; later that year the dam was completed. Now, in 1953, a hydro-electric project at the dam is progressing and will supply power for the new industries planned—iron and steel, tires, batteries, vehicle spare parts.

increase of over 100 per cent. This means that about double the population must live off almost the same cultivated area—and the food problem is urgent.

Pushing National Development

The Government realizes that the Land Reform Bill is not enough to improve the lot of the peasant. It also proposes to build up industries and reclaim extensive uncultivated land. This will require the harnessing of a considerable quantity of Nile water. Investment of capital in industry is being encouraged but the various projects under study will probably only materialize over a long period. Agriculture, and especially the cultivation of cotton, must continue to be Egypt's principal source of revenue until mineral, industrial and other resources are developed.

Industry is expected to play an important part in the future of the country. Last autumn a Permanent Council was set up to study projects in agriculture, irrigation, roads and communications, mining, etc. Some of its recommendations—road construction, land reclamation and the more extensive cultivation of wheat and maize—have already been approved and work on the schemes is expected to begin immediately, as they will take several years to complete. Factories for the re-conditioning of lubricating oils are being constructed. Other projects suggested are an iron and steel industry and plants to make tires, batteries and spare parts for vehicles. Factories to turn out munitions and aircraft are going up and the Asswan Dam hydro-electric project is progressing. In addition,

agreements were signed early this year for Point Four experts to survey the industrial possibilities of the country and suggest other feasible projects.

Foreign Capital Needed

These development schemes will require considerable capital—perhaps some £E500 million, including £E200-220 million for irrigation and land reclamation. Ten years' national savings cannot provide all this capital and foreign investment will be required. To obtain it, there must be stability and a feeling of confidence and in particular a new or revised Company Law, with suitable guarantees to investors.

Import Restrictions

The imposition last June of restrictions on the import of goods from the sterling area was a great blow to trade, particularly with the United Kingdom, but Egypt's increasing shortage of sterling made it necessary. The situation did not improve with the new cotton season and in October the Minister of Finance announced that Egypt's resources in No. 1 sterling account were exhausted. The Government then generalized the system of import permits to use its present foreign currency holdings, or those subsequently acquired, to the best advantage. The Minister added that permits would be granted as soon as applied for provided that the goods were imported from countries with which Egypt had trade and payment agreements, such as Bulgaria, Czechoslovakia, France, Hungary, Germany, Lebanon, Poland, Saudi Arabia, Switzerland and Yugoslavia. The Netherlands and Italy have since been added to this list.

Foreign Trade of Egypt

The following table gives the details of Egypt's foreign trade with principal countries for 1951 and 1952. It points up to the large reduction in imports from the United States and the United Kingdom in 1952, and the rise in imports from Canada, Germany, the Netherlands and the USSR.

(in £E000's)

Imports from	1952	1951
United States	35,842	65,146
Britain	29,492	41,927
Canada	18,366	1,991
France	14,065	20,282
Italy	12,236	15,665
Germany	12,194	9,798
Russia	10,840	7,060
Holland	10,793	8,226
Chile	6,238	4,828
Belgium	6,148	5,589
Ceylon	5,497	5,930
India	4,432	5,424
Sweden	4,421	6,265
Saudi Arabia	3,452	2,838
Switzerland	3,282	2,811
Turkey	2,932	2,423
Other	38,091	73,391
Total	218,321	279,594

Exports to	1952	1951
France	18,162	19,735
United States	16,784	19,507
Italy	15,546	16,161
India	13,522	29,883
Germany	11,517	8,610
Russia	10,025	2,514
Spain	7,278	4,895
Czechoslovakia	7,150	9,524
Britain	6,400	38,572
Japan	6,208	14,670
Switzerland	4,137	2,987
China	3,107	345
Hungary	2,156	2,097
Poland	1,896	1,121
Holland	1,886	2,554
Pakistan	1,828	1,937
Other	15,249	26,128
Total	142,851	201,240

Exports to the United Kingdom, as the table above shows, fell drastically in 1952.

Egypt's chief main imports and exports during 1951 and 1952 were:

Leading Imports into Egypt

(in £E)

Article	1952	1951
Wheat	32,597,215	33,992,673
Fertilizers	13,638,964	12,256,430
Flour of wheat	7,150,675	3,635,821
Motor cars	5,991,767	8,015,827
Oils, mazout, diesel, etc.	5,472,485	5,788,951
Wood for building	5,263,079	10,124,567
Medicines and pharmaceuticals	4,304,890	4,714,442
Wool, fabrics	3,637,675	5,569,607
Edible fruits	3,347,231	3,586,345
Bars, iron or steel	2,525,276	3,670,867
Paper for printing, etc.	2,501,706	2,622,535
Sheet iron or steel	2,497,882	1,481,497
Machines and looms for weaving	2,112,046	1,505,894
Sacks of jute	2,084,465	2,252,476
Engines, stationary	1,992,138	2,172,285
Total (including others)	218,770,979	279,594,279

Exports from Egypt

(in £E)

Article	1952	1951
*Onions, dehydrated and powdered	2,590,536	1,522,000
Potatoes	205,605	130,826
Rice	768,932	14,539,211
Molasses	319,735	427,879
Cake, cottonseed	161,336	230,065
Ores, metallic	844,822	246,509
Phosphate of lime	1,138,868	898,692
Cotton raw	126,414,117	164,100,834
Cotton yarn	3,452,648	6,947,720
Flax and hemp	377,081	739,438
Total (including others)	142,851,388	200,640,426

* Fresh.

Canada's trade with Egypt increased substantially in 1952, almost entirely because of larger shipments of wheat and of wheat flour.

—W. H. Hopper

Office of the Canadian Government Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Commodity Notes

AUSTRALIA

Copper—For the first time since the war Australia will have enough copper to meet the demand, because Australian production has increased and more copper is available from overseas. The Prices Commissioner has issued an order to reduce the price of copper by £20 a ton to £330 a ton—Sydney, June 19.

BRAZIL

Wallboard—The first domestic company to fabricate wallboard is already planning to expand its nearly completed factory in Jundiai, state of São Paulo. The company plans to install a second press with the same capacity as the first, thus permitting the sale of the material at Cr.$15 per square metre, rather than Cr.$20 as previously planned. Imported wallboard, the company states, costs Cr.$40 per square metre in São Paulo—São Paulo, June 20.

COLOMBIA

Razor Blades—Colombia's first razor blade plant, "Eterna", has just opened in Medellin. It is capitalized at half a million pesos and the owners are Colombians. The equipment was bought in Sweden; present daily production is 30 thousand blades, which can readily be doubled by working two shifts. More machinery has been ordered from Sweden and by the end of this year the company hopes to be able to supply the total needs of the Colombian market—Bogota, June 18.

INDIA

Steel—The Government of India has entered into an agreement with the United States Government for the import of 110 thousand tons of steel for agricultural purposes under the Technical Co-operation Program, which up to now has been handicapped because of the lack of steel. The bulk of it will be sold to village artisans to make implements in common use in India and the proceeds will be used for further economic development projects mutually agreeable to both governments. A ceiling of 100 thousand tons has been fixed for the export of iron and steel scrap from May 1 to December 31. Types of scrap which may be exported are: rusty black sheet cuttings and punchings, rusty turnings and borings, rusty de-tinted scrap, old wire rope, auto scrap and broken machinery parts. For every four tons exported, one ton of usable smelting scrap must be delivered to Indian furnace owners at the statutory price—New Delhi, June 15.

ITALY

Helicopters—The first all-Italian helicopter, devised and constructed by an Italian, Ing. Bordoni, in an Italian factory received first trials at the Rome airport recently. This helicopter, known as the "Libellula" (Dragonfly), is a two-seater with a twin engine developing 105 h.p., and has a 4½-hour endurance without refuelling and a ceiling of more than 4,000 metres—Rome, June 24.

JAPAN

Newsprint—Because of the long strike in Japan's newsprint industry, an allocation of $1,300,000 has been set up to import 8,000 tons of newsprint from Canada. Japanese publishing houses are particularly anxious that this tonnage arrive in Japan not later than the end of July—Tokyo, June 15.

NORTHERN IRELAND

Perlite and Vermiculite—Mining rights for the quarrying of perlite have recently been granted to a local firm. The firm's lease covers an area of some 800 acres in the vicinity of Kells, Co. Antrim, and about one thousand tons of perlite have already been removed. The pulverized and graded material will be exported to Great Britain for further processing, and used for insulation and other purposes.

The same firm is also processing vermiculite imported from the Transvaal at the rate of 1,000 lb. an hour. This material is now being freely specified as an insulating medium in schools, hospitals, farm buildings, and factories both in Northern Ireland and elsewhere, and is being marketed through normal trade channels—Belfast, June 26.

NORWAY

Herring—The 1953 season for the large herring fisheries terminated on February 14th, when a total of 6,011,876 hectolitres of large herring had been brought ashore, as compared with 5,869,034 hectolitres in 1952 and 6,746,128 hectolitres in 1951 (one hectolitre equals approximately 3·3 bushels). Of the quantity caught this year, 349,258 hectolitres were exported fresh, 749,597 were salted, 4,795,384 went to the herring oil factories, 47,043 were used for bait, and 43,060 were consumed fresh on the home market—Oslo, June 20.

SWEDEN

Wood Products—Export sales of wood products for delivery during the current year are practically completed. Sales have reached 650 thousand standards (exclusive of box boards), thereby exceeding the quantity which was originally estimated for 1953. It is now apparent that the preliminary estimates will be exceeded by as much as 50 thousand standards. The final sales figure will be between 700 thousand and 750 thousand standards—a considerable increase over 1952. The sawmills in the southern part of the country still have fairly large quantities to offer for export. Sales recently concluded have mostly been to the United Kingdom, although continental buyers have also been active. Buyers in Western Germany, however, have made only a few purchases—Stockholm, June 20.

Chile Studies Its Fisheries

. . . and makes plans to modernize them with the aid of FAO experts and increased investment in equipment.

SANTIAGO—FAO experts are continuing to co-operate with the Chilean authorities in studying the possibilities of improving the fishing industry and have concluded that present production could be increased by 50 per cent by motorizing fishing vessels.

The fishing community in general still operates on a day-to-day basis and is inadequately equipped. Fishermen are unlikely to change their methods because they build their own boats and make their own nets, in return for a primitive but independent living. It may be that new interests will enter the field. A German combine is reported to be investigating the possibility of establishing a fishing fleet to operate on different sections of the coast, setting up a plant to process by-products and building a modern cannery.

Official statistics indicate that between 1942-1951 the index of fishing production increased by over 200 per cent and shellfish production by 145 per cent. Facilities have been improved at various fishing ports, especially Coquimbo and Talcahuano. The latter, from which fish are conveyed to Santiago, now has increased railway capacity.

Markets for Fish

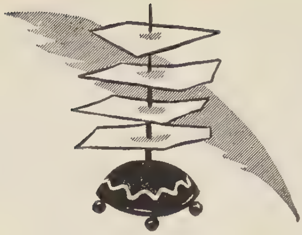
The canned fish industry is becoming increasingly important and from January to November 1952 products to a value of 2,118,000 Chilean gold pesos were exported to the United Kingdom and worth 562,400 gold pesos to the United States. Important quantities of fresh tuna fish were also exported to the United States.

A conference of the Pacific Coast countries (Chile, Peru and Ecuador) interested in the whaling industry was held in Santiago in August 1952. Uncontrolled exploitation by foreign fishing fleets and the consequent loss to the countries concerned was the principal business of the conference. As many as 19 fleets from different countries were reported to be taking part in what was regarded as spoilation of west coast resources.

FAO in conjunction with the Chilean Government is conducting a campaign to encourage the canning of fish. At present, this is limited largely to the coast and Santiago and consumption in the interior is negligible. As one step, FAO officials recently arranged an exhibition. Interest was so great that smaller displays are to be organized through the central provinces and later, on an important scale, in Santiago.

On the other hand, distribution is inefficient and a distributing company formed in 1951 with some financial assistance has been liquidated at considerable loss. Lack of adequate refrigerated transport and storage of modern retail outlets often results in inferior quality of fish and consequent waste. This in part explains the relatively high prices. The price index shows an increase of 35 per cent between 1950 and 1952.

—M. R. M. DALE
Commercial Secretary for Canada



General Notes

ARGENTINA

New Tractor Plant—The cornerstone of a new plant for the manufacture of tractors was laid recently in Ferreyra, Province of Cordoba, by a government company, Aeronauticas y Mecanicas del Estado. Reports indicate that this factory will operate as an assembly plant, the various parts to be made by other plants in other parts of the country—Buenos Aires, June 19.

CHILE

Trade Treaty with Germany—Chile's commercial treaty with Western Germany, originally signed in Hamburg on February 2, 1951, was ratified on March 20, 1953, in Santiago. Both countries granted "most-favoured-nation" terms for trade and navigation—Santiago, June 16.

COLOMBIA

New Refractories Plant—Swiss and Colombian capital has been combined to construct a modern refractories plant in Medellin, the second city of Colombia. The new company will be known as Empresa de Refractorios Colombo-Suiza S.A., and the two principals are Empresa Siderurgica de Medellin, an old-established foundry, and S.A. des Produits de Refractaires de Brasil, an experienced producer of refractory products. Until the new plant is ready, the company will use the facilities of El Volador, a refractories plant in Medellin owned by Empresa Siderurgica de Medellin—Bogotá, June 17.

PAKISTAN

Trade Agreement with Japan—A trade agreement between Pakistan and Japan was signed on April 11th in Tokyo. Under it, Japan has agreed to buy commodities from Pakistan worth approximately £32 million during the current financial year, including 650 thousand bales of raw cotton, 250 thousand bales of raw jute, cotton seeds, hides and skins, cotton lintels, rock salt, ophedrine, etc. Japan has also agreed to supply capital goods and machinery worth at least £6 million on a long-term credit basis, facilitating payment in instalments without charging any interest.

Pakistan has agreed to import £5·5 million worth of cotton fabrics, £1 million worth of cotton yarns, and £1·5 million worth of rayon and other textiles, as well as £1·5 million worth of metals —Karachi, June 12.

PHILIPPINES

Pulp and Paper—The pulp mission of FAO in the Philippines has completed an exhaustive study of the possibility of using Benguet pine as a raw material to produce pulp and paper. This study included an extensive survey to determine the extent and potential of the forests, plus examination of transportation problems and of a broad reforestation program. The United Nations has agreed to supply further technical assistance for pulp and paper projects, including overhauling of the machinery of a government-owned paper mill—Manila, June 13.

PORTUGAL

New Units for Cod Fishing—In keeping with a policy established about two years ago, the Portuguese fishing industry has continued to build line fishing vessels. A new one of 800-tons draught has recently been launched, with a capacity of nearly 1,030 tons of fish. Another vessel of the same type is under construction and expected to be ready to take part in this year's fishing—Lisbon, June 20.

SOUTHERN RHODESIA

Trade Balance Improves—Southern Rhodesia's adverse trade balance totalled £27 million during 1952, some 25 per cent less than during the previous year. Imports at £88·5 million showed a slight increase; exports were substantially larger at £61·2 million because of the larger tobacco crop and greater export of asbestos—Cape Town, June 15.

SWITZERLAND

Security Against Export Credits—In 1952, the Swiss Confederation insured its exporters against export credits of over Swiss francs 190 million. Protection was mainly granted to manufacturers of heavy machinery and equipment. Losses during the year came to just over 640 thousand francs and were offset by premium receipts of approximately 958 thousand francs. In addition, some 89 thousand francs were recovered from losses in previous years. The favourable balance in 1952 reduced to about 3·9 million francs the net deficit since the inception of the plan in 1934. At the end of 1952, the total security assumed under the program amounted to 435 million francs—Berne, June 22.

TANGANYIKA

Mining Industry Progresses—The year 1952 was one of steady progress in all branches of the mining industry. The most noteworthy features were: the breaking of all previous records for value of mineral production and exports; the proving of large reserves of good quality coal in the southern province; the unabated interest in prospecting for base metals by influential overseas mining concerns; the grant of an oil exploration licence to an important group, and the reconciliation of differences between Williamson Diamonds Limited and the Diamond Corporation Limited which set in motion once again the full flow of diamond exports, held back by a dispute since early in 1950—Johannesburg, June 18.

United States

Opportunity in Florida

With its tourist trade booming and agriculture flourishing, Florida affords interesting opportunities for two-way trade with Canada.

NEW ORLEANS—Since the war, Florida has experienced great prosperity. Population jumped 46·1 per cent in the decade between 1940 and 1950, to a total of 2·7 million, and per capita income rose during the same period from $471 to $1,210.

One of the main factors in this postwar prosperity has been a great increase in the tourist trade. Five million visitors, with an estimated billion dollars of spending power, go to Florida each year. Motels, restaurants, hotels, stores have sprung up everywhere. On Miami Beach alone, 61 hotels with more than 100 rooms each have been built since the war. During recent years the tourist trade has broadened. Winter Cadillacs are now followed by spring and summer Chevrolets, Plymouths and Fords.

Many people are choosing to live in Florida when they retire and this is reflected in housing programs on the outskirts of such centres as Miami, St. Petersburg and Orlando.

Agriculture Also Prospers

But the tourist trade is not the only success story there. The raising of citrus crops, winter vegetables and livestock is also flourishing. Nearly half of Florida's 35 million acres are in farmlands, groves and ranches and agriculture now has a $500 million income. The state produces about 110 million boxes of grapefruit a year and oranges and tangerines valued at $250 million. The advent of frozen orange concentrate has given an impetus to orange production. During this season, out of an estimated orange crop of 73·5 million boxes, 35 million boxes are expected to go to the concentrate canners.

Winter vegetables raised in Florida find a steady market in the more northerly states and Canada and income from this source reached about $127 million in 1951.

In recent years Florida farmers have been paying more attention to the production of beef and dairy cattle. Twenty-one years ago the state supported about 500 thousand cattle. Today the cattle production is estimated at 1·6 million head, worth about $153 million, and Florida ranks thirteenth among the states in beef cattle production and thirty-fourth in dairy cattle. Conditions have not been entirely favourable; drought has underlined the need for irrigation. Nevertheless, Florida has become the third cattle producer among the Southern States, including Texas and Oklahoma.

Its mineral economy is not diversified but Florida is the main source of phosphate rock and its products in the United States and the world's second largest supplier. Eight and a half million tons of phosphate rock were produced in 1952 and plant expansion plans calling for a $25-$30 million investment are under way.

Light Industries Spring Up

The state is not well suited to heavy manufacturing because the cost of power and its geographical position take it out of the main stream of industry. Moreover certain centres, conscious of the importance of their tourist trade, are not anxious for smokestacks. Nevertheless in the Jacksonville area there are gypsum, cement and paper plants and in Tampa, chemical, fertilizer and similar industries. Miami has some needle trades and light metal factories. It is difficult to assess the full significance of these manufacturing changes but the Florida Light and Power is planning to spend $332 million on a ten-year electric power expansion program and a number of nationally known firms in paper, textiles, cement and chemical trades have development plans.

Strategic Aviation Centre

If Florida's geographic position does not favour heavy industry, it is a distinct advantage in air transport and has made Miami the main international airport in the country. It is the springboard to Latin America and 57 airlines operate in and out of Miàmi airport alone. As an important division centre for Eastern Airlines, Pan American Airways and other lines, the field employs 17 thousand people. Auxiliary trades have grown up around it—repairs, warehousing, etc. Canada has direct air contact with Florida through TCA's non-stop flights between Toronto and Tampa.

This is the economic background of a state whose purchasing power is steadily increasing and which maintains both an export and import trade with Canada.

Trade with Canada

Exports to Canada come from all parts of the state and though some of the products, such as phospate rock and canned citrus juice, move north by water, most of the exports to Canada move by rail. This rail movement covers a surprisingly wide range of goods, including fresh and canned citrus products, vegetables, naval stores, phosphate rock and its derivatives, wood and wood products and oyster shells.

Imports from Canada are headed by newsprint, crude gypsum rock and lumber, but also include potatoes, Christmas trees, apples, saltcake, agricultural implements, canned goods, roofing, canned beef, firebrick and shingles. It is difficult to determine the quantity of such imports. With the exception of newsprint, crude gypsum and lumber, most of them come in by rail and lose their statistical identity once they cross the border. However, there is sufficient information to show that Canada has a definite stake in Florida's increasing prosperity.

This is nowhere more apparent than in the demand for Canadian softwoods from the Pacific Coast, imported by water and rail. The increasing population and upturn in incomes has led to the building of thousands of cottage homes and has provided a market for Canadian dimension woods and other construction materials.

This increasing population also means a steady demand for newsprint, Canadian apples, potatoes and canned goods, and the expanding agriculture means a market for agricultural implements. Eventually it may also mean tourists travelling from Florida to Canada in the hot summer months.

From a distribution point of view, markets are concentrated around three main centres—Jacksonville, Miami and Tampa. Canadian foodstuffs are largely marketed through Jacksonville, served by rail from Atlanta and its own port. The building trade market is concentrated more in the Miami area, served by rail and the port of Everglades, and in the Tampa-St. Petersburg area, served by rail and through the port of Tampa.

—G. A. Newman
Consul of Canada and Trade Commissioner

—Canadian suppliers interested in the Florida market should get in touch with Mr. Newman at 215 International Trade Mart, New Orleans.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, begins the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Halifax—August 3-4
Saint John—August 6
Montreal—August 10-19
Ottawa—August 20-22
Winnipeg—August 25-26
Vancouver—August 29-September 4

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Shawinigan—July 21
Quebec—July 22
Chicoutimi—July 23
Rimouski—July 24
Fredericton—July 27
Saint John—July 28-29
Halifax—July 30
Sydney—July 31
St. John's—August 3-4
Toronto—August 10-14
Hamilton—August 17-18
St. Catharines: Welland—August 19
Sarnia—August 20
Windsor: Walkerville—August 21
Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. He will visit Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

Richard Grew, Commercial Counsellor in New Delhi, India, began a tour of Canada in Ottawa on June 29. His itinerary is:

London—July 21
Brantford—July 22
Hamilton—July 23
St. Catharines—July 24
Toronto—July 27-31
Montreal—August 3-7

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. He will visit Vancouver from July 29-31.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Comerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

Trade and Tariff Regulations

CHILE

Exchange Rates—By a Chilean decree published July 7, and effective immediately, all imports into Chile authorized under the 1953 Foreign Exchange Budget are now subject to the Free (Banking) rate of exchange. This rate has been maintained at 110 pesos to the United States dollar for several months.

COLOMBIA

Livestock Embargo Lifted—Colombia has removed the embargo on Canadian livestock effective July 2, which had been enforced in order to prevent the introduction of foot-and-mouth disease.

IRELAND

Import Controls—By five Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

Brushes, brooms and mops (domestic and household): 18,000 articles, compared with 12,000 articles for previous six months' quota.

Brushes (for human use): 18,000 articles, compared with 12,000 articles for previous six months.

Brushes, brooms and mops: 18,000 articles, compared with 12,000 articles for previous six months' quota.

In all of the above cases, the quota period extends from July 1, 1953, to March 31, 1954.

Certain hats, caps, hoods and shapes (costing less than 21/– each): 15,000 articles, compared with 25,000 articles for previous six months' quota.

Certain metal screws: 25,000 gross (amount unaltered from previous six months). Of this total, 24,000 gross must be of Canadian or United Kingdom manufacture.

The quota period fixed in the above cases extends from July 1, 1953, to December 31, 1953—Dublin, June 18.

IRELAND

Customs Duties Imposed—By two orders issued under the Emergency Imposition of Duties Act, 1932, the Government of the Republic of Ireland has imposed, as and from June 19, 1953, an ad valorem import customs duty of 37½ per cent full rate; 25 per cent pref. rate—Canada and U.K.—on wire netting and certain other iron and steel wire.

By a third order, as and from July 1, 1953, an import customs duty of 50 per cent ad valorem full rate; 33⅓ per cent ad valorem pref. rate—Canada and U.K.—has been imposed on single cotton yarns.

In each of the above cases a duty-free licensing provision is attached—Dublin, July 2.

JAMAICA

Cordage, Cable and Rope—Importers in Jamaica were advised on June 27 that under the Import Prohibition (Rope) Proclamation, 1953, the importation of cordage, cable and rope of all materials up to and including 1¼″ diameter is prohibited except under permit issued by the Trade Control Board. This prohibition does not affect twine admitted as such by the Collector General.

Permits will be issued without restriction for rope of any size required for special purposes such as shipping, wharves, dry docks and sugar estates, provided the Trade Control Board is satisfied that it will be used exclusively for such purposes and will not be offered for sale.

Permits under the above Proclamation are additional to the import licences required on exchange grounds.

MEXICO

Canadian Livestock Imports Remitted—The Mexican Department of Agriculture and Livestock has lifted, effective April 28, 1953, the embargo on the importation of Canadian livestock and products which was imposed because of the outbreak of foot and mouth disease in Canada last year.

WEST GERMANY

Import Bonus Rights Cancelled—Effective July 1, 1953, Germany cancelled the import bonus rights which were introduced April 1, 1952. Outstanding credits will, however, be valid until the end of this year. Under the arrangements, exporters were permitted to retain 40 per cent of their dollar export earnings to be used for imports of a specified list of goods from the dollar area.

This scheme was designed to act as an incentive to increase German exports to the dollar area and, at the same time, promote direct trading relations as opposed to transit handling over third countries. The market value of these import rights, which at the outset commanded upwards of 15 per cent premium, declined steadily amounting to 0·5 per cent when the scheme was discontinued—Bonn, July 8.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0063.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. July 9*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1325	
		Basic buying	·1987	
		Preferential selling	·1987	(1)
		Basic selling	·1325	
		Free	·07153	
Austria	Schilling			
Australia	Pound			
Belgium-Luxem-			·03822	
bourg & Belgian			2·2390	
Dependencies	Franc		·01991	
Bolivia	Boliviano	Official	·00523	
British West Indies	Dollar		·5831	(3)
	Pound		2·7987	(4)
	Dollar	Brit. Honduras	·6996	
Brazil	Cruzeiro	Official	·05372	tax 8%
		Free	·02283	(2)
Burma	Kyat		·2099	
Ceylon	Rupee		·2099	
Chile	Peso	Official	·00903	
Colombia	Peso	Basic	·3975	tax 3% (2)
		Coffee buying	·4255	
Costa Rica	Colon	Official	·1770	(5)
		Free	·1496	
Cuba	Peso		·9937	tax 2%
Czechoslovakia	Koruna		·1380	
Denmark	Krone		·1439	
Dominican Republic	Peso		·9937	
Ecuador	Sucre	Official	·06625	(6)
		Free	·05728	
Egypt	Pound		2·8536	
Fiji	Pound		2·5214	
Finland	Markka		·00432	
France	Franc		·00284	
French Africa	Franc		·00568	
French Pacific	Franc		·01561	
Germany	D Mark		·2366	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9937	
Haiti	Gourde		·1987	
Honduras	Lempira		·4969	
Hong Kong	Dollar	Free	·1642	*July 3
Iceland	Krona	Official	·06102	
		Special buying	·04698	
		Special selling	·03785	
India	Rupee		·2099	
Indonesia	Rupiah	Basic	·08717	(7)
		Dollar certificate	·00187	

* Latest available quotation date.

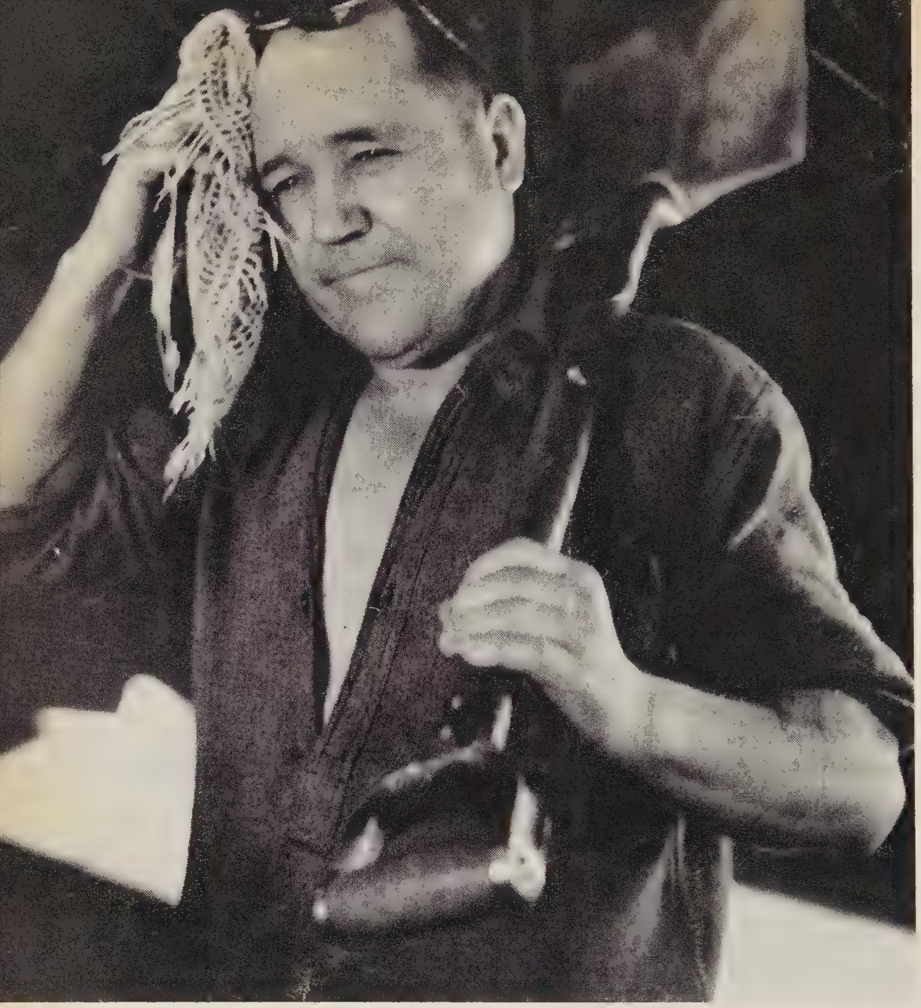
Country	Unit	Type of Exchange	Canadian dollar equiv. July 9	Notes (See below)
Iran	Rial	Certificate I	·00881	*June 18
		Certificate II	·00869	*June 18
Iraq	Dinar		2·7825	
Ireland	Pound		2·7987	
Israel	Pound	Basic	2·7825	
		Special	1·3912	
		Investment	·9937	
Italy	Lira		·00159	
Japan	Yen		·00276	
Lebanon	Pound	Free	·2927	*
Mexico	Peso		·1149	
Netherlands	Guilder		·2615	
Netherlands Antilles	Guilder		·5269	
New Zealand	Pound		2·7987	
Nicaragua	Cordoba	Effective buying	·1506	(8)
		Official selling	·1409	
		With Surcharge I	·1234	
		With Surcharge II	·0989	
Norway	Krone		·1391	
Pakistan	Rupee		·3004	
Panama	Balboa		·9937	
Paraguay	Guarani	Basic	·06625	(1)
		With Surcharge I	·04732	(9)
		With Surcharge II	·03312	
Peru	Sol	Certificate	·06146	
Philippines	Peso		·4969	tax 17% (2)
Portugal	Escudo		·03468	
El Salvador	Colon		·3975	
Singapore & Malaya	Straits dollar		·3265	
South Africa (Union of)	Pound		2·7987	
Spain & Dependencies	Peseta	Basic buying	·04538	
		Basic selling	·08857	
		Basic commercial selling	·06050	(1)
		Free	·02522	
Sweden	Krona		·1921	
Switzerland	Franc		·2319	
Syria	Pound	Free	·2767	*June 15
Thailand	Baht	Official	·07950	(1)
		Free	·05506	*May 29
Turkey	Lira		·3549	
United Kingdom	Pound		2·7987	
United States	Dollar		·9937	
Uruguay	Peso	Official	·6542	
		Basic buying	·5582	
		Special buying	·4228	(1)
		Basic selling	·5230	
		Special selling	·4056	
Venezuela	Bolivar		·2966	(10)
Yugoslavia	Dinar		·00331	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



so you think it's pretty ho

.....well just take a look at this Australian steel worker. Still, we can sympathize with you. You may not be heaving coal in a furnace, but you have other reasons to mop your brow.

Sitting in an office, thinking about export sales, about how to keep customers happy and stay ahead of the other fellow — all this doesn't help the mid-summer heat and humidity.

What can help is knowing the answers to your problems. Many businessmen find some of the answers in *Foreign Trade* — cold fac clearly and concisely presented. They keep reading *Foreign Trad* throughout the summer, so that come cool September they're equipped for the business ahead.

foreign trade

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foreign trade

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:R . . . Agriculture has priority in India's Five- an; 414 thousand acres een reclaimed for cul- in the first two years. tractors, such as this ven by a refugee Pun- rmer, are helping to up the work. For a re- the progress made in ure and other phases Plan, see page two. —Photo by UNATIONS

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

India

The Planners Report Progress

What has the Five-Year-Plan accomplished in its first two years of operation? A recent government report considers results; compares them with long-term objectives.

NEW DELHI—The progress of India's Five Year Plan, which began in April 1951, has recently been surveyed by the Government in a report covering the first two years of its operation. The Plan has undergone many changes since it was first published in draft outline in 1951 but it was adopted in final form five months ago (see *Foreign Trade,* March 21, 1953). This report, covering April 1951 to April 1953, analyzes India's economic achievements in that time and assesses the difficulties encountered in implementing the Plan.

Agriculture under the Plan

Agricultural production has a high priority in the Plan, with special emphasis on a greater degree of self-sufficiency in food grains because grain imports have been a heavy drain on India's foreign exchange reserves. Production of jute and cotton, the principal raw materials for India's factories, is also stressed. Estimates of production for 1952-53 are not yet available, but an increase of about six million acres (some 5½ per cent) in acreage under cereals is reported. The previous year saw food-grain production boosted by 880 thousand tons because of the "Grow More Food" campaign. Major irrigation schemes which increased the irrigated area by approximately 800 thousand acres were responsible for a further gain of 270 thousand tons. The jute crop increased by 1·4 million bales and cotton by 390 thousand bales in 1951-52, stimulated to some extent by high prices. Forecasts for 1952-53 indicate that these gains have been held but not surpassed.

Progress Made

The construction and repair of wells, the installation of tube wells, the construction of channels and small drainage schemes have all made progress. Under the Central Tractor Organization, 414 thousand acres have been reclaimed for cultivation in two years out of a total of 1·4 million acres, the objective for the whole five years. The use of ammonium sulphate and superphosphate fertilizers has increased and better seeds have been distributed. The improvement of livestock through better breeding and artificial insemination centres has made good progress.

The Five Year Plan included a number of large multi-purpose irrigation and power projects on which large sums of money had been spent before 1951. Construction continued during the first two years of the

Plan, at an expenditure of Rs.1,900 million. The full benefit of these projects will only be felt when they are completed but tangible results are already reported, including production of 315 thousand kw. of electric power and irrigation of 1·42 million acres in 1952-53.

Rehabilitating the Railways

Rehabilitation of the railways and provision of facilities to cope with increased traffic resulting from development and expansion in other sectors of the economy are integral parts of the Plan and during the first two years, traffic has increased notably. Total freight carried jumped from 26,829 million ton miles in 1950-51 to 28,833 million ton miles in 1951-52; a further increase of 5 per cent is expected for 1952-53. Some 342 new locomotives, (58 of local manufacture), 771 coaches and over 8,000 wagons were placed in service in the two years. Rail facilities are being extended and substantial sums spent on port facilities, notably in Bombay, Calcutta, Madras, Cochin and the new port of Kandla. India's shipping industry has grown by 77 thousand gross tons. By April 1953, 240 miles of new roads and 17 bridges had been completed and work on 20 bridges and 450 additional miles of road is under way.

New State Enterprises

Industry, both private and public, has forged ahead. New state enterprises which went into production include:

- The Indian Telephone Industries, with a record during the period of 48,628 telephones and 32,000 exchange lines.
- The Sindri fertilizer factory, which produced 230 thousand tons of ammonium sulphate in 1952-53.
- The Chittaranjan locomotive factory which turned out 17 locomotives in 1951-52 and 36 in 1952-53.
- The Uttar Pradesh State precision instruments factory which produced 2,100 water meters in 1952-53.

The Indian Rare Earths Limited, the new mint at Alipore and the machine tool prototype factory (a defence industry) are also among the projects started in the past two years.

The Hindustan Shipyard Limited constructed three ships during 1952 and has in hand orders for five 7,000 ton and two 8,000 ton ships, diesel-powered. In a year's time, the proposed penicillin and DDT factories should be producing. The Government has decided to establish a radio and wireless equipment factory in collaboration with a French firm.

Private Industry's Share

A number of non-governmental industrial units have gone into production in the last two years. One of these is a new cement mill which has added 200 thousand tons a year to Indian production. Expansion of existing cement plants will soon mean a further 300 thousand tons a year. The caustic soda industry has grown and the manufacture of superphosphates, sulpha drugs, sulphur black and azo dyes has also been increased. Such important industries as iron and steel, paper, sewing machines, bicycles, rayon and jute goods have stepped up their output. Conversely, in certain other industries—aluminum, pumps, diesel engines, machine

tools, looms, hurricane lanterns, batteries, superphosphates, sulphuric acid, soda ash, paints and enamels, leather, glass, woollens and handloom cloth—production fell off. This is attributed to accumulation of stocks because of the large imports permitted shortly after the outbreak of the Korean War. The Government has modified its import policy to meet this situation.

From April 1, 1951, to January 1, 1953, 29 new textile mills with a capacity of 183,500 spindles went into production and new looms totalled 1,382. Articles of Indian manufacture which were produced for the first time included domestic refrigerators, electric meters, industrial boilers, automatic looms, high rating transformers, and motors.

Amounts Spent

Total expenditure on the Five Year Plan is estimated at Rs.2,069 crores (approximately $4 billion). During the first two years, expenditure was approximately Rs.585 crores, or slightly less than 30 per cent. Some increase in the rate of spending is forecast for the current year, but it will have to be increased further in 1954-55 and 1955-56. Revenues during the Plan's first year of operation were satisfactory, mainly because of economic benefits in the early stages of the Korean War. Now, however, there is a lag in the receipts from several sources which are expected to provide the money for the Five Year Plan. States revenues and financial aid expected from the railways have fallen short and it may be difficult for these sources to produce the funds budgeted.

However, the Plan has made significant progress and greater things can be expected because few of the major projects were due for completion in the first two years. In fact, they will only be finished and benefits begin on a large scale in the fourth and fifth years of the Plan. In the first two years, planning and execution have been gathering momentum.

—R. K. Thomson
Acting Commercial Secretary for Canada

Package tours in Canada for the individual and for groups are being planned by a new department of the Canadian National Railways. Designed to save the traveller the worries and uncertainties involved in planning a holiday, the all-expense tours will include the cost of transportation, meals, hotel, sightseeing and incidental. Trips will range from week-end to month or longer, starting from principal cities across Canada and in the United States. They can be arranged at any CNR ticket office or through travel agents.

The tours will be set up to suit various budgets and time factors. They will take in national holidays, annual vacations and seasonal attractions in summer, fall and winter. Special plans will be available to groups of employees in plants and businesses which close down for stated vacation periods.

This new approach in Canada to the problems of holiday travel, the CNR announcement says, has two aims. It will encourage Canadians to see more of their country, and will interest more Americans in a visit to Canada.

Australia's Dried Fruit Industry

A substantial part of the currants and raisins Canadians use come from Australia, where a 65-year-old industry concentrates on producing dried vine fruits that go to the Commonwealth.

MELBOURNE—Among Canada's purchases from Australia year by year, dried fruits bulk large. In 1952, 50 thousand tons of Australian dried fruits went to overseas markets; Canada's share totalled 16 thousand tons, valued at nearly $5 million Canadian.

Birth of an Industry

The story behind this industry deserves to be better known. It was first established in 1887 as a result of the vision of Alfred Deakin, three times Prime Minister of Australia. He enlisted the creative genius of two Canadians, the Chaffey brothers, who had successfully promoted irrigation colonies in Canada and California. They set to work to harness the waters of the Murray River and its tributaries and to apply it to the arid but fertile soil along its banks.

After many years of battling with the elements, political opposition and depressions, settlements were established along the Murray River in Victoria and South Australia. Primarily the industry was developed to give employment to surplus rural labour and to make good use of basically fertile irrigated land. Today it provides a good living for thousands of Australians. After World War I many returned servicemen were settled in this area; veterans of World War II joined them many years later.

Area under Production

The total area under production is about 65,300 acres, of which 34,000 acres are in Victoria, 21,500 acres in South Australia, 5,400 acres in New South Wales and 4,400 acres in Western Australia. Approximately 90 per cent is watered by irrigation. The Commonwealth and State Governments have decided to increase the present horticultural and viticultural lands in Australia by an additional 31,250 acres to help settle more World War II veterans on the land. This increase includes 9,500 acres for dried fruits.

The potential production of dried vine fruits, including the new areas coming into bearing, is estimated at about 125 thousand tons. At present Australia ranks third in world production after the United States and Greece. However, because of adverse climatic conditions, the present potential production of 104 thousand long tons has been attained only once—in 1944. Since then, output has ranged between 56 thousand and 80 thousand tons. The crop just harvested is estimated at about 90 thousand tons.

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The home market takes only about 20 thousand tons and this leaves 70 to 80 per cent of the crop for export. The Australian Dried Fruits Control Board is therefore urging that before any further plantings are authorized, the question of what quantities of dried vine fruits can be sold in overseas markets should be studied carefully.

Economic Importance

The average annual value of Australia's dried fruits is about £A5 million (approx. $11·25 million). The capital invested in land producing grapes for drying (including houses and working plant) is estimated at about £A10 million (approx. $22·5 million). In addition, considerable capital is invested in packing houses and plant. The Commonwealth and State Governments have also spent about £A40 million (approx. $90 million) on irrigation head works and channels on the Murray River and its tributaries, and much of the land irrigated is producing dried fruits.

There are about 7,000 growers, mostly in Victoria and South Australia, who employ permanently a large number of workers in the orchards and vineyards, the packing houses and distributing trades.

Tariff Preferences

Almost all of the fruit exported is marketed within the British Commonwealth—in the United Kingdom, Canada and New Zealand, which admit fruit from Commonwealth countries free of duty. Duties on fruit from foreign sources are:

United Kingdom: £2 per ton on currants and £8.10.0 per ton on sultanas and lexias.

Canada: Four cents per lb. on currants and three cents per lb. on sultanas and lexias.

New Zealand: £7 per ton on lexias and sultanas; no duty on currants.

This preference has made it possible for Australia to retain her Commonwealth markets even though living standards and production costs are high compared with those of competing countries.

The 20 thousand tons of dried fruits required by the home market are protected by a duty of 6d. per lb. on all imported currants, sultanas and lexias. This duty has been applied for many years and was designed to protect the producers and workers from the competition of cheap labour countries such as Turkey and Greece.

Main Markets

Since 1940 the surplus for export, after supplying Canadian and New Zealand needs, has gone to the United Kingdom, under a British Ministry of Food contract at prices reviewed each year. This contract, due to expire in 1953, has been extended to cover the 1954 crop, with no firm arrangement beyond that.

For the three years 1949, 1950 and 1951, total exports of dried fruits were only just over 30 thousand tons, mainly because of bad seasons. In 1952 exports climbed to 50 thousand tons and should be much higher this year because the estimated crop is over 90 thousand tons. Canada bought 18,777 tons in 1950, 11,431 in 1951 and 16,000 tons in 1952. To

—Australian Official Photo

These vineyard workers at Renmark, River Murray, are spreading grapes out on drying racks. Australia's dried fruit industry earns approximately $11·25 million a year, but the growers face problems; production costs are high, competition is increasing, prices must be lowered.

maintain sales to Canada this year, prices per ton £5 lower than those offered by the United Kingdom are being accepted. Sales to New Zealand for the same three years were 3,664, 5,111, and 4,000 tons.

The Commonwealth Government carefully supervises grading, processing and packing. Export and domestic sales are allowed only if the fruit is of the grade and quality prescribed by the Commonwealth regulations. Fruit for export is inspected in the packing houses and a check inspection is made at the dockside before loading. Commonwealth inspectors issue export certificates under the provisions of Dried Fruits Export Control Act 1924-1952.

Marketing Practices

The industry's production is marketed through the following Boards:

- The Australian Dried Fruits Association (A.D.F.A.) which regulates the sale and distribution of dried fruits within Australia.
- The Commonwealth Dried Fruits Control Board, which regulates the sales to overseas markets.
- A Dried Fruits Board in each of the four producing States, which issues licences to packing houses and determines the quota of dried fruits which may be sold within each State. Small levies on the fruit produced and exported cover the expenses of these organizations. The A.D.F.A. is a voluntary organization to which over 99 per cent of the growers belong. In the actual packing and processing of the fruit, the proprietary and co-operative companies compete with each other. In Victoria each group handles about the same amount of fruit but in South Australia the co-operatives predominate.

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The Commonwealth Bureau of Agricultural Economics conducts periodic surveys to determine the costs of production and uses these at price discussions with the British Ministry of Food.

Prices Falling

The Ministry of Food, as a special concession, increased the prices paid for dried vine fruits considerably in 1951 in compensation to the Australian industry for production misfortunes and heavy unit production costs.

Prices were again increased slightly in 1952 but U.K. prices for the 1953 crop have gone down to £94 per long ton f.o.b. for sultanas and lexias, and £77.10.0 for currants, with a premium for a limited quantity of the best grades. In 1952 prices were £98.10.0 per ton f.o.b. for sultanas and lexias and £80 a ton for currants.

The 1953 prices are below what Australia sought but are much higher than the prices the U.K. is paying to other countries. The United States has been offering considerable quantities of dried vine fruits at a subsidized price as low as £52 per ton and other countries have substantial quantities at negotiable prices.

Future Prospects

Among the problems facing the industry, high production cost is the most serious. Increasing world production of dried vine fruits and the reduction in the margin of Empire Preference by GATT in 1947 is making competition for markets more acute. The industry must be prepared to accept lower prices, especially from Canada and New Zealand, if markets are to be maintained. Moreover, the United Kingdom Government is giving up bulk buying of foodstuffs as fast as it can and letting trade revert to normal channels. With no U.K. contract to bolster prices, the industry will face serious marketing problems.

There is some question whether the irrigated land might better be used for other primary products able to compete in world markets—such as wheat, wool and meat.

An alternative use of grapes grown for dried fruits is wine-making. Per capita consumption of wine in Australia has risen from 0·6 gallons prewar to 1·6 gallons in 1952. Production has also gone up but the wine industry is finding it difficult to market its surplus production and is not likely to absorb any great quantity of grapes.

A recent survey showed that vineyards of 30 acres and over had the lowest costs because of more efficient use of labour, which represents over 50 per cent of costs. Over half of the vineyards are less than 15 acres and more concentration on production of dried fruits in larger vineyards and the turning over of marginal areas to other forms of production may become necessary.

The dried fruits industry of Australia may suffer setbacks in the future. But after reading the story of its beginning and development, and the many difficulties it has overcome, it seems certain that it will survive and continue to provide a living for thousands of Australians.

—Roy W. Blake
Agricultural Secretary for Canada

FAIRS and EXHIBITIONS

Art and Antiques

The historic Prinsenhof Museum in the old china-making town of Delft, Holland, will display the finest examples from the stocks of Dutch antique dealers, from August 18 to September 7. Here, during the Fifth Art and Antique Dealers' Fair the visitor will see paintings, drawings, etchings, furniture, tapestries, chinaware, ceramics, silver, glassware, pewter, bronzes, books and jewellery. Delft is only a few miles from The Hague and Rotterdam and is easily reached by rail, road, tram or air. For information, apply to the Secretary, Art and Antique Dealers Fair, Rokin 120, Amsterdam.

Radio and TV at Earls Court

Broadcasting, sound and television are the main theme of the National Radio Show to be held from September 1-12 in Earls Court, London, under the sponsorship of the British Radio Industry Council.

A full-size BBC television studio, equipped with the latest British equipment will be a feature of the show. There, programs can be seen in the making and on the air.

Visitors to the Radio Show will see: domestic receivers, including special models for export covering all the necessary wavebands, with special tuning scales for the particular market, and tropicalized for hot climates; products of component and valve manufacturers; radio, and radar equipment for the armed forces, and the latest scientific and industrial equipment of all kinds.

Fair Calendar

The following fairs are scheduled in Canada and the United States in the next few months:

Pacific National Exhibition, Vancouver, B.C., August 26-September 7. For information, write V. B. Williams, Exhibition Park, Vancouver, B.C.

73rd Canadian National Exhibition, Exhibition Grounds, Toronto, August 28-September 12. Information from CNE offices, Toronto.

Nova Scotia Fisheries Exhibition, Lunenburg, N.S., September 17-25. For information, write B. J. Walters, Town Hall, Lunenburg.

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National Gift Shows, East Annex, Exhibition Grounds, Toronto, October 5-8. For information, write Canadian National Exhibition, Toronto.

Canadian Dairy Show, Show-mart Building, Montreal, October 23-27. For information, write L. O. Dubé, St. Hyacinthe, Quebec.

The Unusual at Gothenburg

At the 36th Swedish Trade Fair in Gothenburg:

- A steel camping table with plastic top and four chairs that, with a few manipulations, transforms into a neat carrying case;
- A razor that can be used without soap, water, brush, electricity or mirror;
- A self-rocking cradle that can become a swing and a linen basket;
- A bobsled to which wheels can be attached when there's no snow—

These were some of the novelties seen by visitors from 32 countries at the recent Gothenburg Fair. The 803 exhibitors, including 20 from Norway and the same number from Denmark, took up floor space totalling 28 thousand square metres.

Comptoir Suisse

This is the 34th Lausanne National Fair, the second of Switzerland's two annual fairs. It will be open this year from September 12th to 27th.

Comptoir Suisse is similar to the Swiss Industries Fair held in Berne in the spring, but also includes exhibits from the agriculture and food production fields.

Purely national in character, this Trade Fair invites one foreign country to take part each year. This year the guest exhibitor will be Brazil; previous guest nations were France, Belgium, the Netherlands, Italy, Morocco, the Belgian Congo and Tunisia.

Report from Hannover

Foreign buyers who wish to get a comprehensive picture of the postwar products of Germany's technical and mechanical industries might well visit the annual Hannover Fair.

This year the Fair was held in two sections—the Light Industries Fair from March 1-5 and the Heavy Industries Fair from April 26-May 5. At the latter, nearly 2,500 firms (only 165 non-German) showed their products. Foreign firms exhibiting included ten United Kingdom and seven United States companies. The American companies displayed office machinery, type-setting machines, tape recorders, electronic equipment, textile machinery, etc.

Next season, the Heavy and Light Industries Sections will be combined, though this may lead to pressure on space and restrictions on the types of firms eligible to participate.

United Kingdom

Houses or Highways?

Growing congestion on British roads is producing demands for greater spending on highways. Some sources suggest getting the money by cutting back the housing program slightly.

LONDON—The abolition of gasoline rationing and the fact that manufacturers can now sell a greater percentage of their new cars on the home market have brought a substantial increase in the number of cars on British roads. At 18·1, the number of motor vehicles per mile is the highest in the world and the ratio is rising steadily. Highway construction has not kept pace and traffic congestion is beginning to affect national production adversely. It is not only in the cities that the trouble occurs but on countless main roads in the country as well.

Road Program Inadequate

Road transport bulks large in the United Kingdom's economy and its efficient operation is therefore vital. Generally speaking, the physical equipment is good. A high percentage of the larger units are deisel-powered and modern. But when vehicles are held up by road congestion, fuel consumption per mile increases and the output per man engaged in road haulage drops.

The position in most of the towns and cities is worse than it was before the war, if only because the number of vehicles on the roads has gone up rapidly—4,471,000 in 1952 compared with 3,110,500 in 1938. The development of new roads has failed lamentably to keep abreast of this growth. Between 1910 and 1952, the number of road motor vehicles in use in the country increased by more than 3,000 per cent, population by 20 per cent, and road mileage by 4·7 per cent. Much has been done to improve existing roads and, admitting that road mileage cannot be expected to increase at the same rate as motor vehicle usage, the fact remains that the highway program has been inadequate.

Cost of Congestion

The national cost of this state of affairs is difficult to assess. Many factors are involved. A high accident rate is one distressing consequence and costs, it is estimated, about $450 million a year. Economically, the greatest cost lies in the time wasted because traffic moves more slowly. Naturally this situation is most evident in the larger centres and particularly in London. In 1905, southbound traffic on Park Lane at mid-morning moved at ten miles an hour for a two-horse delivery van, 12 miles an hour for a private buggy, and 13·7 miles an hour for a two-horse private brougham. Today the mean journey speed for all vehicles over the same route is 11·1 miles an hour. The 1951 report of the London and Home Counties Traffic Advisory Committee on London traffic congestion states:

"Road transport is a key factor in the economy of the United Kingdom, and the cost of operating it is inevitably reflected in the prices of the food we eat and the goods we manufacture. Road transport cannot be run efficiently and economically when traffic congestion reduces movement to a crawl. The cost of such congestion in lost man-hours and vehicle-hours must amount to many millions of pounds per annum. Traffic congestion, therefore, must be reduced."

This same report estimated that the annual cost of delays at St. Giles Circus alone cost the country $600 thousand in a single year. In London as a whole, traffic delays are estimated to cost an annual $210 million—yet for the current fiscal year only $100 million is to be provided for roads for the whole country.

The United Kingdom abounds with ancient towns and cities, most of which acquired their present shape and character long before motor vehicles were a factor in life. To wreck these monuments of the past in order to speed up road traffic is not an acceptable solution. In many cases by-pass roads have been built to meet the problem but most of these cannot now handle the traffic. And in too many cases expanding municipalities have developed along the by-passes, thus virtually converting them into town streets.

Destruction by bombs in the last war might have provided opportunities to improve town layouts and to construct better roads, but for a variety of reasons little has been done.

Financing the Roads

In the United Kingdom as in many other countries, not all the taxes paid by the motorist are used to maintain the roads. Only 15 per cent of the motor and fuel taxation collected since the war went to road maintenance or extension. When these taxes were first introduced, all parties agreed that the proceeds should be devoted entirely to supporting the roads. Unfortunately the need for larger and ever larger sums for government and the reluctance to hoist other taxes has tempted virtually every government to use the funds collected for other purposes.

Many who have studied the transport problem believe Britain would be better off today if a larger share had been devoted to road construction and improvement. The Westminster Bank Review for May 1953 points out that such investment would show handsome returns. For example, the construction of 59 miles of motor road between Warrington and Keer Bridge in Lancashire would cost approximately $36 million. The consequent saving in the operating cost of vehicles over this route is put at $3·9 million a year, a return of over 10 per cent with existing traffic.

The average cost of road construction in the United Kingdom is probably about $750 thousand per mile. Because the resources are not limitless, the Westminster Bank Review suggests that the housing program might be cut back to free money for the roads. Assuming a road program of 200 miles of new highway a year as a target, the cost, if undertaken exclusively at the expense of the housing program, would be the equivalent of 26,700 houses, or only 11 per cent of the number completed in 1952. Politically it may be difficult to put "highways before houses", but a good case can certainly be made for the economics of such a program.

—R. P. Bower
Commercial Counsellor for Canada

General Notes

CHILE

Rubber Footwear Factory—It is reported that a U.S. company will install at Quilpue, in Valparaiso Province, a modern factory to manufacture crepe-soled rubber footwear, of a type not produced at present in Chile. The capital mentioned for the new industry is around 100 million Chilean pesos—Santiago, July 3.

BRAZIL

Oil Drilling—The most extensive oil drilling operations ever carried out in Brazil are being conducted at Badajos in the State of Para near the Capim River. Drilling has reached a depth of 4,000 metres and is progressing at the rate of 300 metres a day. This is the third attempt by the National Petroleum Council to discover petroleum in the Amazon region—Rio de Janeiro, July 6.

SOUTH AFRICA

Air Mail Postage Higher—Effective July 1, 1953, air mail postage to Canada from South Africa has been increased from 1/9d. to 2/3d. per ½ ounce; air letter forms have been raised from 9d. to 1/-—Johannesburg, June 30.

More Foreign Exchange for Travellers—Under the relaxed exchange control regulations, effective June 1, South Africans going overseas will be allowed up to £400 worth of foreign exchange every year instead of £400 every three years. The Treasury has made the necessary arrangements with the banks—Johannesburg, June 30.

SWEDEN

New Rolling Mill—After several years' work a new cold rolling mill is ready for use at Surahammar Works. This installation is said to be the largest reversible strip mill in Scandinavia and can be operated by four to five workers—Stockholm, July 10.

UNITED KINGDOM

Sterling Area Reserves—The sterling area's gold and dollar surplus during May amounted to $48 million, bringing the reserves up to $2,321 million. Account is taken of receipt from the United States of $13 million as defence aid and the receipt from the European Payments Union of $21 million (that part of the April surplus which was settled in gold or dollars). The May figure contrasts with a surplus of $107 million in April, which was exceptionally high—London, July 13.

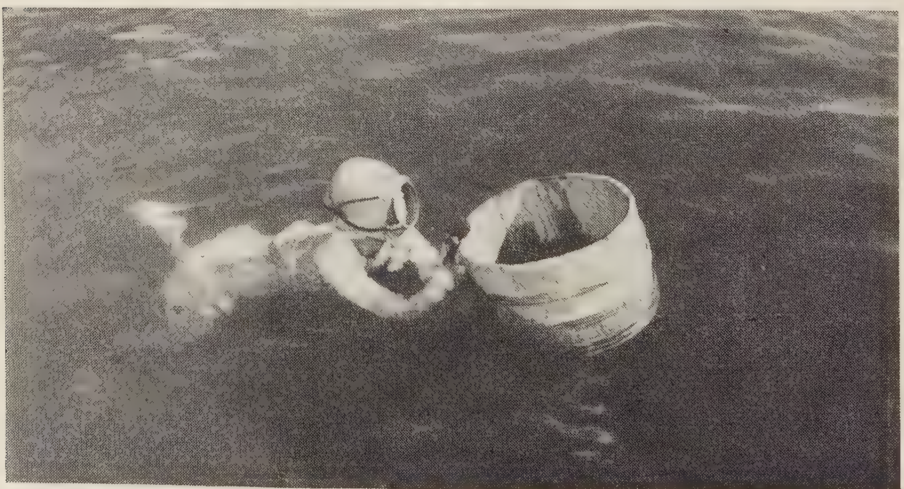
Japan: Pearls to Order

From beds in the Toba Bay area, women divers bring up cultured pearls, basis of a small but important Japanese industry which has expanded since the war.

TOKYO—Japan's cultured pearl industry has, of recent years, become more important in the export picture. In 1952, exports of cultured pearls totalled $4·8 million, not including sales worth $2·5 million made to foreigners in Japan. It is an industry that was built up on Japanese taste, ingenuity and perseverance, and which has brought the country prestige in the export markets. Cultured pearls invariably attract servicemen and visitors, and the Toba Bay area, responsible for 50 per cent of the world's production, is becoming popular with tourists.

Pioneered in Japan

The name of K. Mikimoto is synonymous with pearl culture. He evolved, over a long period of years, methods which produce a fair percentage of cultured pearls comparing favourably in appearance and other qualities with natural pearls. His technique is to lodge sand or shell in a pearl oyster to set up irritation. The oyster, as a protection against the irritant, sheds calcium carbonate in many thin layers and these solidify into natural pearl. Producing cultured pearls requires continuous day and night supervision for from two to seven years. It is estimated that even with expert care, 20 per cent of the production will not be market-



Day and night supervision for two to seven years is required to produce cultured pearls that compare favourably with natural ones. Women divers like this one are employed at the Mikimato beds in the Toba Bay area which produces 50 per cent of the world output.

able, 30 per cent will not be suitable for necklaces, and only 10 per cent will be of top quality. Large pearls, after two years' growth, are left in the shells in the seabeds for a further five years.

Stabilizing the Industry

The cultured pearl industry languished during the war and had to be completely rehabilitated. Shortly after the Occupation began, however, there was a ready sale for pearls and more than a thousand cultivators and dealers engaged in the trade, compared with approximtely 350 before the war. The bulk of postwar production was concentrated on small pearls which can be cultivated in a relatively short time. The production of larger pearls, which requires a considerable financial investment, was less popular.

Because larger pearls offer the best prospect for continued expansion of the industry, representatives of the pearl industry and the Government have combined efforts to stabilize the pearl industry. The objectives are to introduce planned production, establish export ceilings, stabilize prices and prevent poor-quality pearls from reaching the market. The Japan Pearl Center, the first of its kind, was opened in Kobe in November last year. This marked a culmination of the industry's efforts to stabilize prices and to standardize transactions in irridescent shell beads.

U.S. Is Leading Buyer

The statistics covering pearl exports show that the United States is by far the largest market for Japanese cultured pearls. However, there are a number of other important markets, including Canada, and the demand is growing in other countries as Japanese cultured pearls become more widely known. As for promotion, the fact that servicemen from more than fifteen nations visit Japan regularly means that the pearls are well advertised. Exports for the calendar years 1951 and 1952 follow.

The cultured pearls must be carefully sorted and graded. Even with expert culture, an estimated 20 per cent of production will not be marketable, 30 per cent will not be suitable for necklaces, and only 10 per cent will be top quality. The U.S. is the largest market.

Cultured Pearl Exports

	1952	1951
United States	$3,435,000	$2,730,000
Switzerland	273,000	230,000
France	271,000	410,000
Italy	270,000	138,000
West Germany	139,000	135,000
Canada	58,000	61,000
Portugal	....	169,000
Other	354,000	427,000
	$4,800,000	$4,300,000

Domestic demand for cultured pearls is relatively small. Total production in 1952 was 16,500 pounds and 15,040 pounds were exported. Production in 1951 totalled 14,000 pounds with 12,500 pounds sold in overseas countries.

—J. C. Britton
Commercial Counsellor for Canada

New Zealand

Newsprint at Te Teko

WELLINGTON—Three years ago, a pulp and paper industry for New Zealand was only a dream. Today an industry able to turn out 75 thousand tons a year of newsprint and 36 thousand tons of kraft pulp is becoming a reality.

The Tasman Pulp and Paper Company, which is undertaking the venture, was formed by a powerful New Zealand group closely associated with two U.S. companies. The American firms will build the main plant and its allied undertakings, including a board mill with a capacity of 40 million board feet of sawn timber.

The company will have an initial capital of £NZ6 million, with the Government contributing £NZ1 million of this, and nominating two directors on the Board. The New Zealand group and an Australian company will provide £NZ1·7 million and have three directors on the Board. Potential customers for the mill's products will contribute £NZ1 million by buying up a million shares and will be represented by one director. The remaining £2·3 million in shares will probably be offered to the public and these shareholders will have not more than two directors on the Board.

Some Dollar Equipment Ordered

The project will cost over £28 million, it is estimated; the Government will provide more than £13 million, and the company the remainder. The Government's outlay is to be financed as a part of its National Development Plan. However, returns to the Treasury from taxes and concessions will total over £1 million a year, in addition to income from investment in the company. About 62 per cent of the capital outlay will be in sterling. Only 22 per cent of the total equipment ordered to date

entails the expenditure of dollars, a good portion of which, it is stated, will be spent in Canada. Other countries supplying equipment are the United States, Australia, Sweden and Switzerland. The U.S. Export-Import Bank has been approached for loans to cover dollar purchases.

There are two distinct operations involved in the project—the manufacture of pulp, paper and lumber, and the logging operations. The Tasman Pulp and Paper Company will be in complete charge of the first operation, but no decision has yet been made about the second. The timber stand is the State Kaingaroa Forest Reserve of some 200 thousand acres of mature pine. Some consideration has been given to the New Zealand Forest Service taking over the logging activities, rather than turning them over to private enterprise. Logging operations must be followed by reforestation almost immediately to maintain the 40-year cycle which would perpetuate this forest.

To Use Natural Steam

The forestry operations will converge on Murupara on the edge of the forest, and the Tasman mills are to be built near Te Teko some 34 miles away. There were several reasons for the choice of this site, and one of them will undoubtedly make the Tasman mill unique in the annals of papermaking—hot springs will provide the high pressure super-heated steam required for the operations. The mill is located in the geo-thermal region and, simply by drilling a hole an inexhaustible supply of steam can be topped. The steam will be used both for heat and to drive the turbines for producing electric energy. This will mean a saving of several hundreds of thousands of dollars in coal costs alone.

When the plant goes into commercial production, probably in October or November 1955, it will be able to produce sufficient newsprint for all of New Zealand's needs and provide a surplus to be sold to Australia and the South Pacific Islands. A new town, Onepu, with an initial population of 3,500 and later probably 6,000, will be built at the mill site. In time, this should become New Zealand's fourth most important industry.

—Lester S. Glass
Commercial Secretary for Canada

Radar reflectors as navigational aids, designed and tested by the Radio and Electrical Engineering Division of the National Research Council, were first installed on buoys at the entrance to Halifax Harbour, and since have been used throughout Canadian waters. Since lighthouses with a cylindrical or conical shape are inefficient as radar targets, radar reflectors have also been designed and installed on Caribou Island lighthouse in Lake Superior, and on Great Duck Island lighthouse in Lake Huron.

Tests are now under way on an improved design for use with life rafts and rubber dinghies. The new reflectors are inside a balloon, four feet in diameter. When the balloon is inflated, the reflector is erected automatically and carried high enough to give the desired range. The whole device can be packaged in a very small container.

Commodity Notes

BRAZIL

Codfish—Brazil's codfish imports have more than doubled in the last five years. In 1952, codfish represented 11 per cent of the country's foodstuff imports—48,825 tons as compared with 18,648 tons in 1948, costing Cr.$538,602,173 compared with Cr.$210,675,044 in 1948— Rio de Janeiro, June 29.

DENMARK

Textiles—Denmark's textile production increased considerably towards the end of 1952 after the serious decline which set in during 1951, and the improvement has continued throughout the first few months of 1953. The textile industry mainly produces and exports woollen yarn, woollen piece goods, linen yarn, rayon and woollen stockings and socks and cotton piece goods. Although exports in terms of volume were the same for the two years, the value of exports in 1952 totalled 112 million kroner as compared with 139 million in the previous year. The increased production is reflected in the exports for the first four months of 1953 which were valued at 40·6 million kroner (36·2 in 1952). The Danish textile industry is very much concerned with the tariff question. The Danish Customs rates are extremely low as compared with those of other countries and a revision of these rates is very much desired. The industry is also demanding anti-dumping provisions—Oslo, July 2.

IRELAND

Chewing Gum—A new company has been formed at Dun Loaghaire, Co. Dublin, to produce chewing gum and chewing gum bases. Operations were expected to begin in June; full production will not be attained for about six months. The factory will employ about 100 and will use the most modern equipment. Exports will go to the sterling area and the company will link up with branches in New York, Havana and Paris—Dublin, July 10.

ISRAEL

Diamonds—While prices on the international diamond market in 1952 were somewhat lower than those in 1951, Israel's exports of cut and polished diamonds during the year were almost maintained at the 1951 level of $12 million because of greater volume. Israel's share in the world's diamond cutting and polishing trade approximated 15 per cent, second to Belgium's 75 per cent of world production (the small

balance is produced in Holland and Germany). Some 90 per cent of diamond exports went to the United States. Canada, as Israel's second best customer, took cut diamonds to a value of $882 thousand —Athens, July 9.

ITALY

Cement—Domestic production of cement in Italy will not cover the 1953 requirements of the southern half of the peninsula and the Mediterranean islands. Consequently, clinker will be imported during the first half of the year to provide the additional 200 thousand tons needed. In the latter half of 1953 the output of new factories, stepped-up production in existing ones, and plant enlargements are expected to provide enough cement for normal requirements—Rome, July 13.

SOUTH AFRICA

Wool—South African sheep farmers are likely to end the present season with the biggest wool clip for nearly 20 years. After the cycle of wartime droughts, the wool clip reached its lowest point for twenty years in 1946-47 with 193 million lb. Since then the rising price and improving seasons resulted in an increase to 244 million lb. in 1951-52. This year, however, wool deliveries to the ports from the Union, South West Africa and Basutoland have steadily exceeded last year's. In May the 1952-53 clip was 36 thousand bales (about 11 million lb.) ahead of last year's clip at this time, with four months still to go—Johannesburg, June 30.

UNITED STATES

Maple Sugar and Syrup—The 1953 season was a very poor one for New Hampshire maple sugar and syrup producers. Production for the state as a whole was 25 per cent below last year—Boston, July 13.

Potatoes—New England farmers intend to plant 181 thousand acres of potatoes this year. This is 3 per cent more than a year ago, but 20 per cent below the 10-year average. In Maine an estimated 152 thousand acres are to be devoted to potatoes, a 5 per cent increase over 1952 but 13 per cent below the 10-year average. Growers in Massachusetts and Rhode Island plan small acreage increases but New Hampshire, Vermont and Connecticut growers will cut acreage —Boston, July 13.

WEST GERMANY

Aluminum—Taking into account the aluminum plants in Toeging, Luenen, and Grevenbroich, construction of which is practically completed, the German aluminum industry has reached prewar production capacity. Annual production is calculated at 120 thousand tons which is considered sufficient to cover domestic demand for some years to come. In 1952 Germany produced 5·2 per cent of total world aluminum production, as compared with 4·1 per cent in 1951—Bonn, July 9.

United States

Transporting Farm Products

The coming of bigger trucks, of improved design, travelling over better roads, has brought a significant change in the moving of farm products to market.

WASHINGTON—The most outstanding change in recent years in the methods of transporting food in the United States has been the rise in the use of motor trucks, particularly as long distance carriers.

The past two decades have brought notable advances in the design of motor trucks, significant changes in the size and construction of truck bodies, the development of better brakes and tires, and the improvement of the vast network of roads over which trucks operate. Trucks now are wider and longer and can carry heavier loads. Semi-trailer and tandem units have been developed. The 2½-ton truck which was a relative giant on the roads twenty years ago now is a comparative pygmy. Trucks have been designed for special needs, including the transporting of food.

Building Up Road System

The invention of the gas engine and its adaptation to a vehicle to transport people speeded the coming of a modern highway system. As this system was enlarged and improved, motor trucks were built to carry larger quantities of commodities and became a major means of transporting food on a national scale.

From 1930 to 1950 the United States busied itself with the building of roads. There were about three million miles of rural roads in 1929, about one-fifth of them hard-surfaced. By 1948 the mileage had not increased a great deal, but more than one-half these roads had been surfaced. In the same period the larger truck routes of the state rural highway systems increased from 208 thousand to 475 thousand miles and the construction of extra-lane super-highways had begun.

As highway engineers gathered information on grades, curves, and surfaces to withstand traffic, the road system was extended. Old roads were rebuilt with heavier surfaces because the lighter surfaces had broken down. Many roads were relocated to take care of high-speed traffic.

It is reported that in 1931 the longest regular route of any trucking line was 530 miles and few exceeded 250 miles. In 1949, hauls halfway or all the way across the continent were commonplace.

In 1935 the average speed at which cargoes were moved by truck, including delays from consignor to consignee, was about 15 miles an hour. In 1950 the average speed on long hauls was about 25 miles an hour which, with few exceptions, is faster on the average than railroads. The flexibility of the truck which can move produce, by a fairly direct route, in any direction to almost any place where there is a market at the time it is

needed has influenced to a major degree the change from rail to truck transportation of a considerable number of agricultural products. The trucker can better serve the shipper with a trainload—and such shippers of food commodities are rare. The truck is now being used extensively to market food products in the smaller centres which cannot economically take a carload.

Railroads still carry the major part of the bulkier agricultural products such as wheat and other grains which are not perishable, and even a considerable volume of perishable commodities which must be carried in large volumes for long distances. But for products which must be moved fast from many production points, the motor truck is now the principal carrier. Generally speaking, the closer a market is to its sources of supply, the more extensive the use of motor trucks. The farther the market is from the supply, the greater is the use of rail.

—W. C. Hopper
Agricultural Counsellor for Canada

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, begins the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Halifax—August 3-4
Saint John—August 6
Montreal—August 10-19
Ottawa—August 20-22
Winnipeg—August 25-26
Vancouver—August 29-September 4

Richard Grew, Commercial Counsellor in New Delhi, India, began a tour of Canada in Ottawa on June 29. His itinerary is:

Toronto—July 27-31
Montreal—August 3-7

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Saint John—July 28-29
Halifax—July 30
Sydney—July 31
St. John's—August 3-4
Toronto—August 10-14
Hamilton—August 17-18
St. Catharines: Welland—August 19
Sarnia—August 20
Windsor: Walkerville—August 21
Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. He will visit Montreal, August 17-26 and Toronto, August 27-September 4. His complete itinerary will be published later.

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

C. J. Van Tighem, Consul of Canada and Trade Commissioner in São Paulo, Brazil, began a tour of Canada on June 3 in Hamilton. He will visit Vancouver from July 29-31.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Comerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

India

More Liberal Import Policy

NEW DELHI—The Indian import policy for the period July-December 1953 was announced on June 25, and indicates a more liberal policy for a number of commodities which may be imported from the hard currency area.

Some provision has been made for new importers to obtain import licences for certain commodities, but, generally speaking, the great majority of licences will be granted to importers in India on a percentage basis of their past record of imports of the commodity in question. These percentages vary considerably from commodity to commodity, and the licensing period varies from three to six months, from July 1953.

The Objective

Import quotas on a number of items remain unaltered, although in a few cases small cuts have been possible because of improved local production and supply. However, the overall objective of the Government of India is to have adequate stocks in the market, and to improve the quality of local production. For this latter purpose, the import quotas of machinery not manufactured in India, and for industrial raw materials, have been liberalized to some extent. Provision has also been made for increased imports of certain consumer goods considered essential, including condensed milk.

Steps have been taken to simplify the licensing procedure; control has been decentralized, licensing validity periods for certain commodities have been extended, and new licences have been granted on the basis of those issued during previous licensing periods.

Imports from Dollar Area

For the first time in several licensing periods, a number of items re-appear in the Import Licensing Schedule as procurable from the dollar area. These include such food items as condensed milk, infants' milk foods, farinaceous or patent foods and breakfast foods. Other items are domestic refrigerators, typewriters, certain types of machinery, dairy and poultry farming appliances, secondhand woollen clothing and steel belt lacing. Among the items for which import quotas have been increased are air-conditioners, refrigeration machinery, printers' ink, cellulose acetate butyrate and penicillin preparations.

A substantial list of items may be imported from the dollar area, and a partial list of the commodities which may particularly interest Canadian manufacturers and exporters follows. It must be emphasized, however, that practically all licences for the import of such items will be granted to local importers on the basis of imports through connections already established.

Non-ferrous metals and semi-manufactures

Iron and steel, copper, brass, bronze etc., electrodes, and rod, wire, foil and strip for gas welding and brazing

Aluminum circles, sheets and strips

Aluminum in any crude form

Leather belting

Diesel and petrol engines and parts

Outboard motors

Certain machinery, pumps and compressors

Paper insulated power cables

High tension insulators

Powdered milk containing not less than 18 per cent cream, intended for infant feeding

Milk, condensed or preserved

Canned fish

Milk food for infants

Cinematograph films

Photographic film and paper

Photographic instruments and apparatus, other than cinema

Printers' ink

Secondhand clothing, woollen

Hardware, ironmongery and tools, excluding machine tools and agricultural implements

Domestic refrigerators and parts

Typewriters and parts

Radio parts

Brake fluid

Farinaceous and patent foods, canned or bottled

Breakfast foods and pearl barley

Rubber contraceptives

Tractor tires and tubes

Wood and timber, all sorts, excluding plywood

Wood pulp

Newsprint

Air-conditioners

Office machines and parts

Dairy and poultry farming appliances

Raw asbestos

Synthetic resins

Penicillin and preparations, and certain other antibiotics

—R. K. Thomson
Acting Commercial Secretary for Canada

Gift food parcels to Great Britain may now be insured, subject to the usual rates and conditions, the Post Office Department has announced. The Department points out that care should be taken to ensure that the parcels are properly packed in accordance with the regulations and that perishable articles are not enclosed.

Trade and Tariff Regulations

COLOMBIA

Importers Deposits Increased—By a recent decree, Colombian importers have to deposit as much as 30 per cent of the peso value of the merchandise with the Foreign Exchange Control Board before shipment can be made. Hitherto, only a 10 per cent guarantee deposit was required, but the new scale requires deposits of 10, 12, 15, 20 or 30 per cent, according to the class of merchandise.

In formulating the decree and determining the appropriate deposit by products, the government was guided by two considerations—the volume of imports, and the relative need. The legislation, designed to curb imports which in the first five months of the year averaged $1·3 million a day, is meeting with determined opposition from businessmen and industrialists who resent having to finance such a substantial down payment weeks in advance of the merchandise's arrival—Bogota, July 7.

INDIA

Export Duties on Jute Manufactures Reduced—A cable from the Acting Commercial Secretary, New Delhi, reports that, effective July 16, the export duty is abolished on jute specialties and miscellaneous manufactures such as jute carpet yarns, paper lined hessians, tarpaulins, rope and mattings. Jute sacks and hessians continue to be subject to duty.

This means that the export duty of 80 rupees per ton of 2,240 pounds no longer applies on exports from India of jute carpet yarns, paper lined hessians, tarpaulins, rope and mattings. The export duty of 175 rupees per ton applicable on exports of jute sacks, and of 275 rupees per ton on hessians, remains unchanged.

IRELAND

Import Controls—By four Orders of the Government of the Republic of Ireland, issued under the Control of Imports Acts, 1934 and 1937, further quotas and quota periods have been announced as follows:

Pneumatic tires for motor vehicles: 5,000 articles as against a similar quantity for previous six months.

Pneumatic tires for bicycles: 17,000 articles as against 16,000 articles for previous six months.

Inner tubes for motor vehicle tires: 4,000 articles as against a similar quantity for previous six months.

Inner tubes for bicycle tires: 12,000 articles. Quota unchanged from previous six months.

In all of the above cases, the quota period extends from August 1, 1953 to January 31, 1954—Dublin, July 2.

JAMAICA

Customs Duties on Spirits and Tobacco Increased—The Jamaica import duties on brandy, gin, rum and whisky were increased on June 16 by 15s. per liquid gallon if imported in bottle, and by 18s 9d. per proof gallon if imported in other containers. The new rates are:

	British Preferential	General
In bottle, per liquid gallon	£5. 5. 0	£6.13. 0
Other, per proof gallon	£6.11. 3	£8. 1. 3

By law, bottled imports must not exceed 80 per cent proof strength.

The import duties on other (unenumerated) spirits, including liqueurs, cordials, mixtures and other spirituous preparations are assessed per liquid gallon, and were increased by 18s. 9d. under both tariffs. The present rates are £6.11.3 and £8.1.3, British Preferential and General, respectively.

Also, the duties on imported cigarettes were increased by 2s. 9d. per lb., bringing the rates to £1.14.1 and £1.15.1 under the respective tariffs; the excise on locally manufactured cigarettes was proportionately raised.

As a result, the retail cost of imported spirits has advanced by 2s. 6d. per bottle and of cigarettes by 1d. per pack of 10. The purpose of these increases is to raise more revenue in order to balance the Colonial budget—Kingston, June 17.

UNITED STATES

Invoicing and Labelling of Coal-Tar Products—The U.S. Bureau of Customs have placed the following notice in the *Federal Register*, issue of July 8, 1953:

"Paragraph 28(*f*), Tariff Act of 1930, provides that it shall be unlawful to import or bring into the United States any coal-tar colour, dye, stain, colour acid, colour base, colour lake, leuco-compound, indoxyl, or indoxyl compound unless the immediate container and the invoice shall bear a plain, conspicuous, and truly descriptive statement of the identity and percentage, exclusive of diluents. of such colour, dye, stain, colour acid, colour base, colour lake, leuco-compound, indoxyl, or indoxyl compound contained there.

"Pursuant to this provision of law, the Department of the Treasury has prescribed in the Customs Regulations of 1943 that the invoice and container of the above-named products must state, among other things, the Schultz number, Colour Index number, or U.S. Standard number of the product, if any. If none, there must be stated the

chemical classification of the dye (whether acid, basic, direct, etc., with after treatment, if any), together with a statement of the chemical composition of the intermediates from which the finished dye is made.

"In the absence of a Schultz, Colour Index, or U.S. Standard number of a dye consisting of a mixture of two or more dyes, the information required above for each component dye in the mixture (except the method of application) shall be given, together with the method of application of the mixture.

"Notice is hereby given, pursuant to section 4 of the Administrative Procedures Act that, in order to facilitate the identification of imported dyestuffs, it is proposed to require that the following information be furnished with respect to each importation of coal-tar dyestuffs:

(*a*) Trade name of the article and name of manufacturer.

(*b*) Percentage of colour, dye, colour acid, colour base, colour lake, leuco-compound, indoxyl, or indoxyl compound contained therein exclusive of diluents.

(*c*) Schultz number, Colour Index number, the Foreign Prototype number, or U.S. Standard number, if any.

(*d*) If none of the numbers referred to in (*c*) can be given, information shall be furnished as follows:

(1) Method of application (whether acid, basic, direct, etc., with after treatment, if any) and chemical classification (whether azo, anthraquinone, sulphur, etc.).

(2) If known, the different names under which sold abroad and in the U.S. and the name of the comparable American-made dye with name of the U.S. manufacturer.

(3) Scientific name and structural formula, if no scientific name, the scientific name and structural formula of each intermediate used in making the imported product.

(*e*) If the imported product consists of a mixture of two or more colours, dyes, etc., the information indicated above shall be given for each colour, dye, etc. in the mixture, together with the proportions of each component colour, dye, etc. in the mixture.

"Prior to the final adoption of such regulations, consideration will be given to any data, views, or arguments pertaining thereto which are submitted in writing, in duplicate, to the Commissioner of Customs, Washington 25, D.C., within the period of 30 days from the date of publication of this notice in the *Federal Register*. No hearings will be held."

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00851.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. July 16*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1322	
		Basic buying	·1983	
		Preferential selling	·1983	(1)
		Basic selling	·1322	
		Free	·07137	
Austria	Schilling		·03814	
Australia	Pound		2·2330	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01985	
Bolivia	Boliviano	Official	·00522	
British West Indies	Dollar		·5815	(3)
	Pound		2·7912	(4)
	Dollar	Brit. Honduras	·6978	
Brazil	Cruzeiro	Official	·05360	tax 8%
		Free	·02307	(2)
Burma	Kyat		·2093	
Ceylon	Rupee		·2093	
Chile	Peso	Official	·00901	(1)
Colombia	Peso	Basic	·3966	tax 3% (2)
Costa Rica	Colon	Official	·1766	(5)
		Controlled Free	·1493	*
Cuba	Peso		·9916	tax 2%
Czechoslovakia	Koruna		·1377	
Denmark	Krone		·1436	
Dominican Republic	Peso		·9916	
Ecuador	Sucre	Official	·06611	(6)
		Free	·05712	
Egypt	Pound		2·8473	
Fiji	Pound		2·5146	
Finland	Markka		·00431	
France	Franc		·00283	
French Africa	Franc		·00566	
French Pacific	Franc		·01558	
Germany	D Mark		·2361	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9916	
Haiti	Gourde		·1983	
Honduras	Lempira		·4958	
Hong Kong	Dollar	Free	·1642	*July 3
Iceland	Krona	Official	·06089	
		Special buying	·04688	
		Special selling	·03777	
India	Rupee		·2093	
Indonesia	Rupiah	Basic	·08698	(7)
		Dollar certificate	·00187	*

* Latest available quotation date.

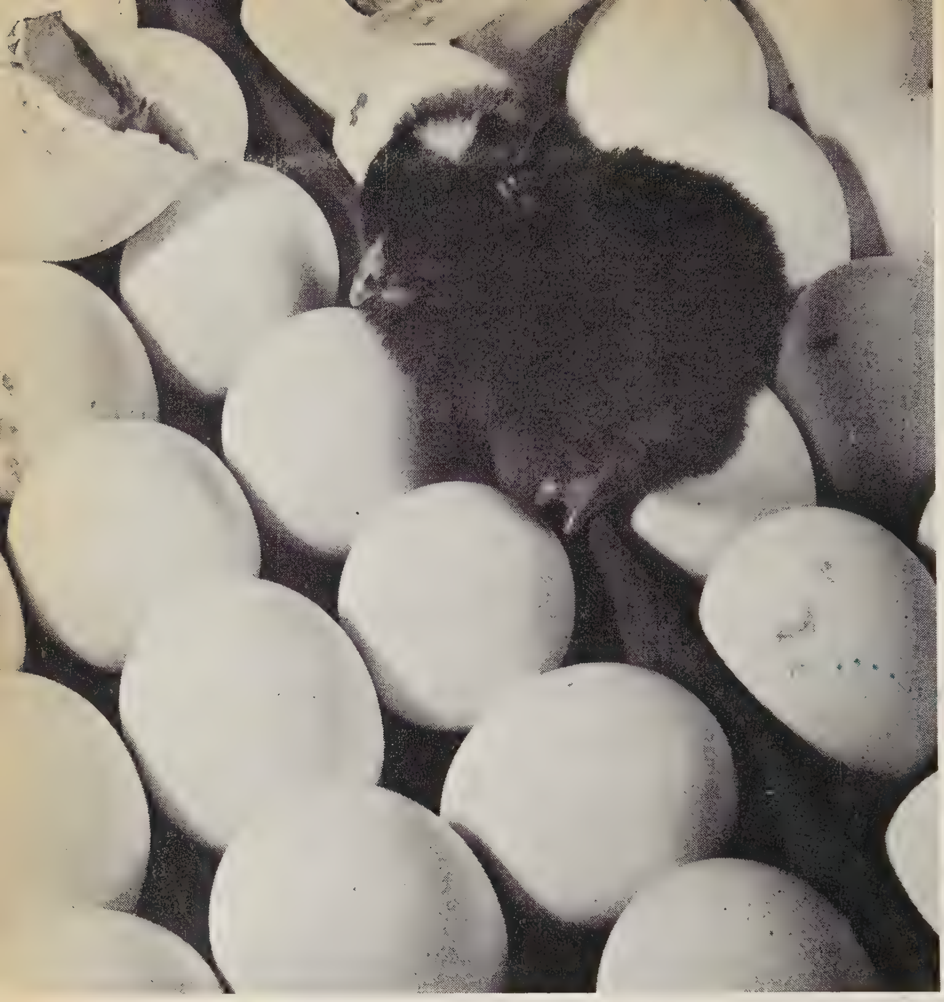
Country	Unit	Type of Exchange	Canadian dollar equiv. July 16	Notes (See below)
Iran	Rial	Certificate I	·00881	*June 18
		Certificate II	·00869	*June 18
Iraq	Dinar		2·7764	
Ireland	Pound		2·7912	
Israel	Pound	Basic	2·7764	
		Special	1·3882	
		Investment	·9916	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·2940	*
Mexico	Peso		·1146	
Netherlands	Guilder		·2609	
Netherlands Antilles	Guilder		·5258	
New Zealand	Pound		2·7912	
Nicaragua	Cordoba	Effective buying	·1502	(8)
		Official selling	·1406	
		With Surcharge I	·1231	
		With Surcharge II	·09866	
Norway	Krone		·1388	
Pakistan	Rupee		·2997	
Panama	Balboa		·9916	
Paraguay	Guarani	Basic	·06611	(1)
		With Surcharge I	·04722	(9)
		With Surcharge II	·03305	
Peru	Sol	Certificate	·06147	
Philippines	Peso		·4958	tax 17% (2)
Portugal	Escudo		·03461	
El Salvador	Colon		·3966	
Singapore & Malaya	Straits dollar		·3256	
South Africa (Union of)	Pound		2·7912	
Spain & Dependencies	Peseta	Basic buying	·04528	
		Basic selling	·08837	
		Basic commercial selling	·06037	(1)
		Free	·02517	
Sweden	Krona		·1917	
Switzerland	Franc		·2314	
Syria	Pound	Free	·2767	*June 15
Thailand	Baht	Official	·07932	(1)
		Free	·05506	*May 29
Turkey	Lira		·3541	
United Kingdom	Pound		2·7912	
United States	Dollar		·9916	
Uruguay	Peso	Official	6528	
		Basic buying	·5570	
		Special buying	·4219	(1)
		Basic selling	·5218	
		Special selling	·4047	
Venezuela	Bolivar		·2960	(10)
Yugoslavia	Dinar		·00330	

Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



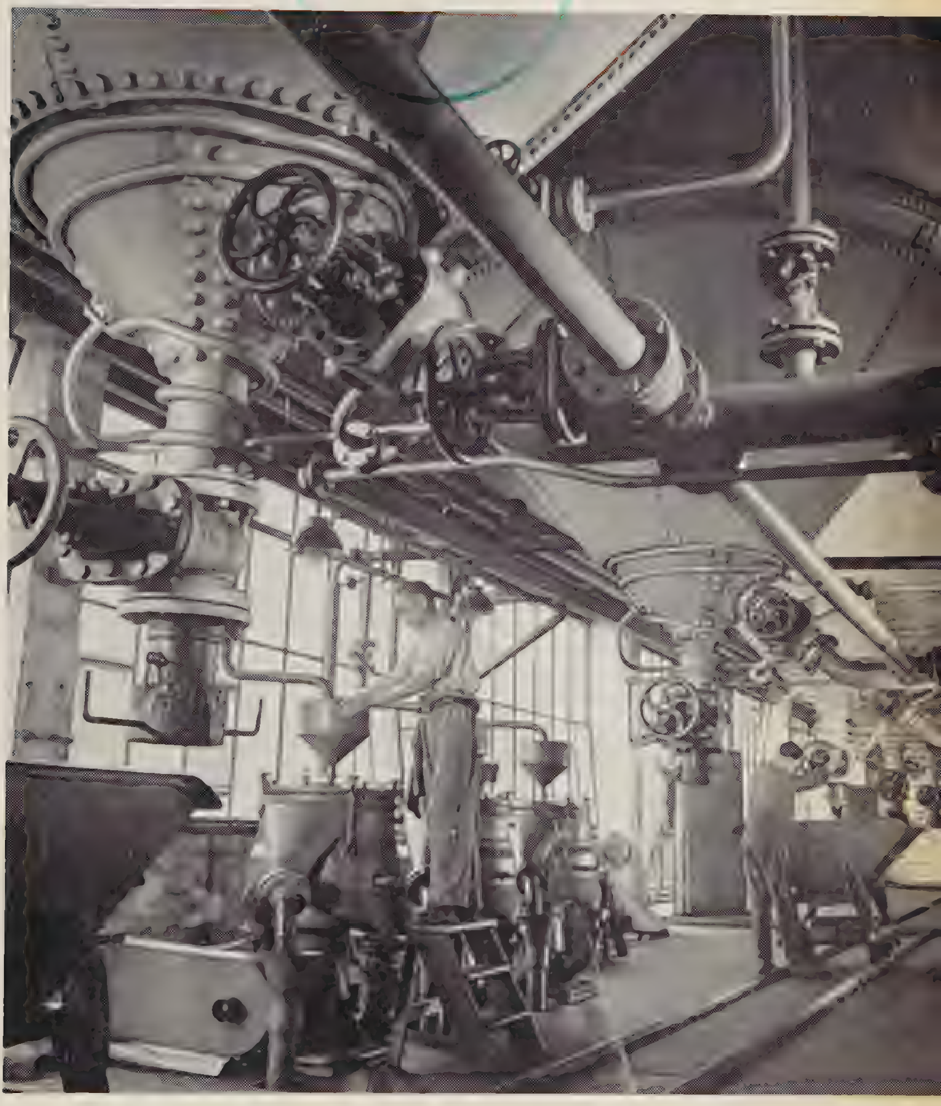
which came first?

The broken shell and the brand-new chick prove that the egg came first. But who laid the egg? You could peck away at the problem indefinitely, so perhaps we had better leave it for the hens and the aviculturists to unscramble.

In the business world there are no such doubts about the sequence of events. Exporters know that the first step is getting the facts. Facts about overseas markets—their requirements, their purchasing power, their rules and regulations—the kind of information you find in *Foreign Trade*. That's why reading *Foreign Trade* comes first with Canada's leading exporters.

foreign trade

AUGUST 1, 1953



West Germany: the Boom in Oil (page 2)

West Germany's Oil Boom

Exploration, production and refining in West Germany's oil industy have all been on the upswing in the postwar years. In fact, the refineries' production is outstripping consumption and exports must take up the slack.

BONN—To most Canadians the rapid growth of Canada's petroleum industry during the past six years is a familiar story. But perhaps few realize that an interesting parallel development, on a smaller scale, has been unfolding in West Germany during the same period. New oil fields have been discovered, new refineries have been built, and the greater production resulting has meant a substantial saving of foreign exchange.

Under the guidance of the Marshall Plan program for increasing West Europe's petroleum refining capacity, West Germany has made impressive gains. The total annual refining capacity of 1·5 million tons in 1945 had grown to over 6 million tons at the beginning of 1952, and to 8·1 million tons at the end of the year. If present plans are realized, the potential annual production of the West German refineries will reach 11·2 million tons by the end of 1954. If this figure is achieved, part of the industry may have to shut down, unless consumption improves or exports expand.

Despite the enormous increase in refining capacity, Western Germany still lags considerably behind other European countries. For example, France has a total capacity of 40 million tons, and England, 42 million tons.

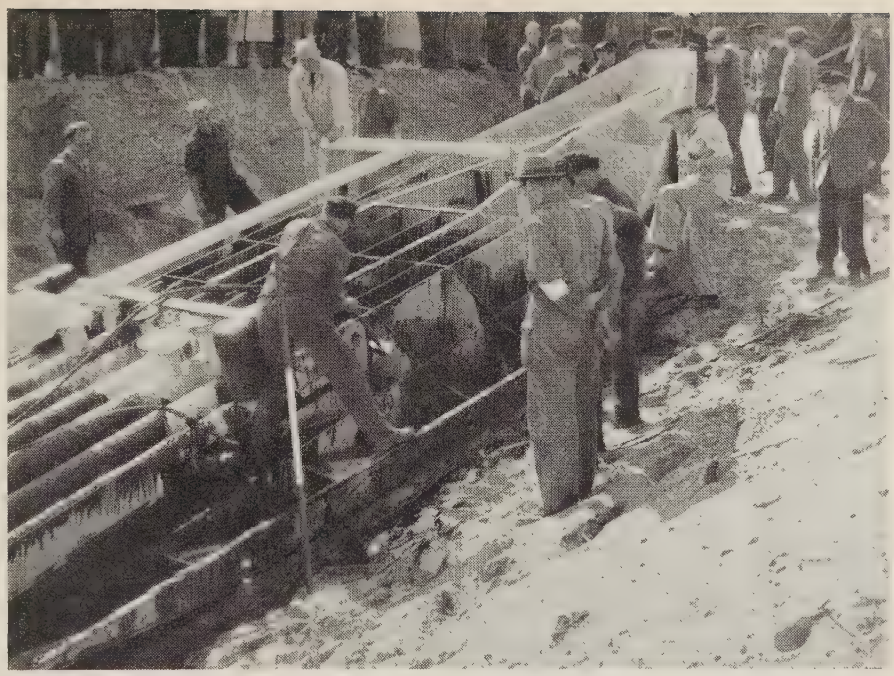
Consumption Higher

Total mineral oil consumption in West Germany amounted to 5,619,052 tons in 1952, an increase of 13·5 per cent over the previous year. This compares with an increase of 21·8 per cent from 1950 to 1951, and of 44 per cent between 1949 and 1950.

West German per capita mineral oil consumption is still very low when compared with that of other European countries. The average per capita figure for 1952 is estimated at 56 lb., or 54·2 per cent of the average consumption of 103 lb. in Western Europe. Consumption in Great Britain last year was 152 lb. per capita, 147·6 per cent of West European average consumption, and in France, 132 lb. or 128 per cent of the average.

Near Self-Sufficiency

Germany's imports of petroleum before the war were divided almost equally between crude oil and refined products. Today, Germany relies largely on domestic production for refined petroleum products. By the end of 1953, it is believed, imports of finished products, now running at about 10 per cent of the total consumed, will be practically eliminated.



Ten new oil fields were discovered in West Germany last year, using geophysical exploration equipment. This year, crude oil production is expected to be over two million tons; output in 1952 covered 30 per cent of domestic needs. Here workers check sluice pipes to go under river.

Much of this drive towards self-sufficiency originated during the war when the shortage of both crude and refined petroleum products was an ever-present threat to the operations of the Luftwaffe and Germany's vast mechanized land forces. However, severe bomb damage destroyed much that had been achieved, and it was not until the postwar period that the industry reached its present status.

Locating Refineries

In Germany, as in Canada, the main consideration governing the location of the refining industry is the availability of the crude product. Thus, refining centres have been established in the Hamburg area where imported crude oil is easily accessible, and in the neighbourhood of the leading oil fields in Lower Saxony, Schleswig-Holstein and near Bremen. The longer-established refineries of the Hamburg region suffered from the economic and political partition of the country, and have now lost a good deal of the remaining marketing area to the refineries on the Ruhr where after the war carbon-hydrogenating works were converted into refineries. In 1952 the Rhine-Ruhr refineries accounted for 55 per cent of the gasoline produced in the Federal Republic, and for 33 per cent of the diesel fuel.

The output of crude oil from domestic deposits amounted to 1,755,000 tons in 1952, enough to meet approximately 30 per cent of West Germany's requirements for the year. The 1953 production is expected to exceed two million tons, thus relatively keeping pace with increasing consumption. This development of the national petroleum resources is quite recent; as late as 1930 the oil fields were yielding only 100,000 tons a year. The

growing threat of war during the thirties was an incentive to new discoveries and much greater production. By 1940 output had reached one million tons. This remarkable improvement followed the discovery of major new fields at Brunswick-Celle, Hamburg, and Schleswig-Holstein. Early in the last war drilling teams opened up an oil deposit in the Emsland, close to the Dutch border, and this area has grown in importance to the point where it now rivals the combined production of Brunswick-Celle and Hamburg. Intensive drilling is still going on in various parts of West Germany. In the north, between the towns of Heide on the North Sea and Ploen on the Baltic, 150 out of 370 recent drillings have been successful and the area now provides 13 per cent of Germany's domestic supply.

Scientific Methods Adopted

The adoption of geophysical exploration techniques and the use of reflexion-seismic equipment led to the discovery of ten new oil fields during 1952. These scientific methods of exploration are not new, they have been used successfully in North America for some years. However, they were not used widely in West Germany until last year. The equipment is both imported from the United States and manufactured by German firms, one of which is located in the West Sector of Berlin. Exports of the German manufactured sets are expected to grow. They are already being used in Sicily, Switzerland and France under the guidance of German engineers, and may shortly be used in Brazil. Exports of German manufactured drilling machinery are expected to rise considerably in the near future. The drilling equipment now being produced in West Germany incorporates the latest improvements, including such refinements as fluid drive to facilitate the regulation of drilling through varying rock strata. Electric drilling sets have also been developed by one of the largest heavy machinery manufacturers (DEMAG) and these may prove to be of importance, although they have not yet been fully tested.

Changing Trade Patterns

Approximately two-thirds of Germany's crude oil requirements are imported, chiefly from Middle East sources. Last year 3,533 million tons were brought in as compared with 3,451 million tons in 1951. The table below illustrates the trend and sources of crude oil imports.

WEST GERMAN IMPORTS OF CRUDE OIL

	1938	1950	1951	1952
		(in million tons)		
Saudi Arabia	....	·615	1·398	1·229
Iraq	....	·515	1·100	1·215
Kuwait	....	·222	·399	·443
Mexico	....	....	....	·038
Venezuela	....	·251	·554	·607
Total	1·317	1·603	3·451	3·532

Imports of crude oil have remained virtually unchanged since 1951. Of the total, 82 per cent comes from the Middle East. Germany's expenditures on oil are divided almost equally between dollar and sterling cur-

rencies. The average c.i.f. value of one ton of crude oil was $26.61 in the case of dollar oil, and the equivalent of $28.27 in the case of sterling oil (1951 average, $26.50).

The cutting off of supplies from the Iranian oil fields and refineries had little effect on the pattern of West German imports since very little oil had been purchased from Iran before the shutdown.

The Outlook

The refining industry in West Germany continues to expand despite the fact that, by the end of 1954, refining capacity in Europe will be more than sufficient to meet the foreseeable needs of all West European countries, except for a few specialized petroleum products. Bonn's economic planners are not greatly concerned about this situation because no one contends that West Germany's, or for that matter Europe's, output and capacity should conform exactly as long as export markets exist. Thus, the failure of consumption to keep pace with production does not necessarily mean that refineries will be idle. Rather, it indicates a growing effort to sell finished products abroad. In the case of refineries operated by large international companies, export markets will very likely play an important part whether or not production is surplus to domestic needs.

In forecasting export potentialities, the possibility that Abadan will become active again must be taken into consideration. Also, large refineries are now being built at Aden and in India and Australia and, when completed and producing, they will effectively reduce the potential of the East as an outlet for West German production. To date, exports through the Suez Canal to Eastern countries (four million tons in 1952) have been shared by France, the United Kingdom and Italy, in that order of importance. The degree of Germany's success in the export markets may well determine whether the great postwar expansion in its oil industry has been justified, and will doubtless shape the course of future development.

—Ian V. Macdonald
Assistant Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Australia

Timber for Battery Separators

Traditionally, woods for making battery separators have come from North America. Now Australian researchers are finding native woods which meet these specifications.

MELBOURNE—One of Australia's traditional imports has been high-grade veneer for use in accumulator battery separators. Every year, its battery industry buys more than 10 million square feet, with much of it coming from overseas.

The best woods for the job are Port Orford cedar and Douglas fir from North America. Australia buys as much of the former as possible, but supplies are limited; she also purchases Douglas fir in fairly large amounts.

Finding Suitable Species

During the war, when supplies of overseas timbers were cut off, the expanding aircraft and automotive industries sparked a growing demand for lead-acid accumulators. Researchers in the Commonwealth Division of Forest Products therefore began to study whether Australian and South Pacific timbers could be used in battery separators. Recently the Division has published some of the results of its investigations.

The timber used for separators must be relatively tough to withstand machining and handling and must have even grain to provide uniform diffusion of the electrolyte. This means that even when a suitable species is found, rigid selection is still necessary to get a given quantity of veneer that can be used in battery separators. Thus large stands of the timber are needed to fill the industry's needs.

Results of Research

In the course of ten-years' research, forty species of timber from Australia and the Southwest Pacific area were examined. Only six of these proved entirely satisfactory—North Queensland kauri and bunya, celery top, hoop, huon and klinki pines. Radiata pine proved satisfactory in a life test but must be confirmed as suitable for commercial use. This species certainly holds great promise.

Jelutong gave good results in a limited life and service test but because of mechanical weakness, it must undergo extensive service tests to establish its commercial suitability. King William pine proved useful only for stationary batteries because of its low resistance to mechanical abrasion. Sassafras, Vanikoro kauri and yellow carrabeen probably warrant further testing if the supply of the more suitable species runs

short. Klinki pine (Araucaria klinki) from New Guinea, Queensland kauri (Agathis palmerstoni) and Hoop pine (Araucaria Cunninghamii) were found the best if obtained from selected logs and subjected to specific treatment. Unfortunately, supplies of these species are limited and they are in demand for many other purposes. However, it has been government policy to encourage production of battery separator veneer from these species to cut down dollar expenditure.

Effect on American Suppliers

It now seems possible to supply the bulk of Australian requirements from local production for some years ahead, except for limited quantities of Port Orford cedar, said to be essential for certain types of batteries. What effect will this have on the North American suppliers?

Imports of battery separator veneer from the United States and Canada for the years 1949-50, 1950-51 and 1951-52 are shown below. These figures include a quantity of separators which had to be imported when adequate supplies of imported veneer could not be found.

AUSTRALIAN VENEER IMPORTS

	1949-50	1950-51 (in square feet)	1951-52
United States	1,142,078	1,714,200	1,347,698
Canada	2,846,403	2,918,732	1,935,747
Total	3,988,481	4,632,932	3,283,445

Imports from North America during the three years were higher than prewar but the increasing demand means greater supplies which, it is hoped, can be made up from local production.

Specifications Worked Out

A number of specifications for Australian timbers for battery separators for special purposes were established during the course of the investigation. This in turn made clear the need for a standard specification covering, as far as possible, all requirements. The Standards Association of Australia was approached and a specification issued for the use of approved Australian timbers in the manufacture of wooden separators for lead-acid accumulators. Timbers so far approved are Bunya pine, hoop pine, North Queensland kauri and klinkii pine. Veneers must be quarter cut, i.e., radially, except the ones for use in central station accumulators.

The following defects were either completely excluded or strictly limited—decay, splits, checks (certain slight surface checks are permitted), shakes, holes, bark, resin pockets, prominent dark streaks because of resins or other extraneous material, knots (excluding a small number of clear, intergrown birds' eyes which will be permitted) and sloping grain (which is limited to one in eight from face to face). The moisture content at time of delivery must be between 9 and 15 per cent and close tolerances are laid down for the thickness of the veneer.

Two grades of veneer are specified, a first and a second, differing only in the permissible number of defects. This gives control over the proportion of first-grade separators which can be obtained.

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The specification also deals with manufactured separators, giving tolerances to the profile and dimensions of the finished separator and specifying treatment to remove harmful substances and to reduce the electrical resistance to acceptable values. Two grades of separators are specified, a first and a second. Aircraft separators must come up to first-grade requirements. A table of electrical resistances is included; for automobile batteries, for example, it gives a maximum resistance per square inch of face area of 0·070 ohms.

Specifications

The specification limits the manganese content to 1½ mg. per 100 grammes of oven-dry wood. This is done because one of the commoner Australia separator timbers, North Queensland kauri (Agathis palmerstoni F.V.M.), has an appreciable manganese content.

The production of synthetic separators is increasing and large quantities are being made and sold in the United States, Canada and the United Kingdom. Wood separators have always been popular because they are usually cheaper than synthetic. Some authorities think that wood, especially Port Orford cedar, has a catalytic action on the positive plates, resulting in a greater activity during discharge.

Outlook for American Timbers

Australian purchases of Canadian timbers for use in battery separators seem likely to be limited to Port Orford cedar, which is only available in small amounts and perhaps some Douglas fir to make up deficiencies in local supply.

If Radiata pine proves as satisfactory in commercial use as tests so far indicate, Australia may well become independent of imports altogether, except for Port Orford cedar for special purposes.

—Roy W. Blake
Commercial Secretary for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Singapore's Sawmilling Industry

SINGAPORE—Singapore's sawmilling industry has just passed its fiftieth birthday. Despite the lack of forests on the island, the industry has flourished because of heavy local demand, the excellent shipping facilities, and the plentiful supply of labour. Last year timber was exported to 17 different countries in contrast to a maximum of seven in previous years. There are twenty-one major sawmills (up to 35,000 fbm output a day) and some ten or more minor ones, all owned and operated by Chinese.

The bulk of the saw logs come to Singapore by truck from Johore State on the southern tip of the Malay Peninsula. Tongkangs, a type of Chinese junk, also bring logs from the Rhio archipelago, Sumatra, and areas of the east coast of Malaya inaccessible by road. Since the war, the supply has been obstructed by difficulties in reaching a trading agreement with Indonesia and the disruption caused in Malaya by Communist bandits. In the last year, however, sufficient saw logs have reached Singapore to fill the demand.

Classifications and Markets

Malayan timbers are classified in three broad categories: primary, secondary and light hardwoods. Primary hardwoods consist chiefly of Chengal, Balau and Merbau; the main secondary hardwoods are Kapur, Keruing, Kempas and Punah. The light hardwoods include some ten species but the whole group is frequently given the trade name of Seriah.

The industry caters to two distinct markets, the local or neighbouring native market, and the overseas export market. The local market does not require grading, but naturally for such buyers as the United Kingdom, Australia, New Zealand, South Africa, the Netherlands, and military contracts in Egypt and South Korea, an effective grading scheme is necessary. Up to June 1949 the timber was graded under the old Empire Grading Rules entirely by Forest Department Inspectors. Thereafter, the Malayan Grading Rules were adopted and a system of private grading, subject to a percentage check by government graders, has proved successful.

Timber production in Singapore reached the record figure of over 108 million fbm in 1952, compared with an estimated 60 million fbm in 1940. However, despite the fact that saw logs were plentiful last year for the first time since the war, exports of both graded and ungraded timber fell appreciably from the 1951 level.

	GRADED EXPORTS		TOTAL EXPORTS	
	Singapore	Malaya*	Singapore	Malaya*
	(thousand feet board measure)			
1948	674	2,618	20,138	21,689
1949	3,680	13,444	35,368	41,251
1950	14,471	42,346	54,210	72,260
1951	19,870	36,732	38,667	51,851
1952	12,980	25,289	34,712	45,098

* Includes Singapore exports.

—D. S. ARMSTRONG
Canadian Government Trade Commissioner

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Businessman's Bookshelf

Markets in the Caribbean

Report of the United Kingdom Trade Mission. 133 pages. $1.15.

LAST NOVEMBER, an eight-man British Trade Mission headed by Brigadier W. H. Crosland set out to visit Venezuela, Colombia, the Dominican Republic, Cuba and Mexico. Its objective was to discover how Britain could increase her exports to these countries and ease the strain on her dollar resources. To accomplish it, the Mission travelled 20 thousand miles, visited five capitals and many other towns, and held talks with hundreds of businessmen and officials.

The Mission did not attempt detailed market surveys but assessed the opportunities for business with these countries and suggested how these opportunities might be grasped. Many of its recommendations about agents, personal visits to these countries, delivery dates, the possibilities of supplying capital equipment, etc., are equally pertinent for the Canadian businessman. Those who followed with interest the Canadian Trade Mission to this area last January and February will find this report worth time and study.

Order from: United Kingdom Information Office, 275 Albert St., Ottawa, Ontario.

World Economic Report 1951-52

By UN Department of Economic Affairs. 132 pages. $1.50. Ryerson Press.

THIS IS THE FIFTH in a UN series prepared with two purposes in mind: as a guide in the making of United Nations recommendations in the economic field, and to meet the needs of the general public. Part one describes the major national economic changes in 1951-52, dividing the countries into three groups—economically developed private enterprise economies, centrally planned economies, and economically under-developed private enterprise economies. Part two analyzes the changes in international trade and payments. The authors point to three areas of continuing difficulty, varying from country to country: the maintenance of economic stability, persistent disequilibrium in international payments, and the relatively slow economic advance in the under-developed countries.

Order from: Ryerson Press, 299 Queen St. W., Toronto, Ontario.

Canadian Foreign Trade Routes

By Transportation and Communications Section, Department of Trade and Commerce. 37 pages (mimeographed). Free.

AS A SERVICE TO CANADIAN TRADERS, this pamphlet breaks down the world shipping routes into seven main groups: to Europe; Far East and South Pacific; Africa; Australia and New Zealand; Caribbean and South America; North America, East and West Coast; Great Lakes. These are then sub-divided further and the regularly scheduled shipping services in each category listed, giving the name of the steamship company, the agents, and the type of service provided. Additional information on vessel departures and ports of call for either scheduled or non-scheduled services may be obtained from the section.

Order from: Transportation and Communications Section, Department of Trade and Commerce, Ottawa.

Introducing East Africa

Prepared by the British Colonial Office and Central Office of Information. 91 pages. 50 cents.

THE HISTORY, THE PEOPLE, THE PRODUCTS and the growth of the four territories which make up British East Africa—Kenya, Uganda, Zanzibar and Tanganyika—are briefly but adequately described in this little book. Fascinating chapters deal with the coming of the Europeans and the missionaries, the building of the first railway in Kenya (called the "lunatic line" by those who opposed it), and with the abundant wild-life. The forms of government are outlined and other chapters cover the improvements in health, education services and social conditions over the years. The businessman interested in these markets or the would-be traveller will find it valuable and the interest is enhanced by excellent photographs. An appendix lists other books about East Africa and where to write for further information.

Order from: U.K. Information Office, 275 Albert St., Ottawa, Ontario.

Britain's Economic Problem and Its Meaning for America

By Research and Policy Committee, Committee for Economic Development. 52 pages. 35 cents.

BRITISH ECONOMIC HEALTH depends basically upon two conditions, says this pamphlet which sets out the views of the CED's research and policy committee. One is "greater initiative in introducing technological innovations, increasing labour productivity, and expanding output". The other is "access to expanding and secure foreign markets". Before reaching this conclusion, the committee studies Britain's present situation against the prewar background of the problem. Steps which the United States could take to help Britain solve its economic difficulties are fully discussed, though at the moment Washington does not seem to be moving in the indicated direction.

Order from: Committee for Economic Development, 285 Madison Avenue, New York 17, N.Y.

Report on Norwegian Shipping

OSLO—"The Norwegian merchant fleet, at January 1st, consisted of 2,191 vessels of more than 100 tons gross, having an aggregate of 6,043,000 tons gross. Of this, 366 vessels totalling 3,107,000 tons gross were tankers. On the same date there were 3,046,000 tons gross under construction or on order for Norwegian companies; 666,000 tons of this total represented orders placed with Norwegian yards.". This quotation from an Oslo daily newspaper shows more clearly than columns of statistics could the importance and breadth of the Norwegian shipping industry. The country's merchant fleet is the third largest in the world, and in tonnage per capita Norway leads the principal shipping nations of the world by a very wide margin. With a population of 3·2 million the per capita tonnage is in the region of 1·45, the closest competitor being Great Britain with 0·65; the United States and Canada stand well down the list with 0·325 and 0·15 respectively.

Major Source of Revenue

This means that Norway's investment in the shipping industry is very large; in fact it can be said to be the backbone of her international trading economy. Although Norway's balance of foreign trade in 1951 showed a deficit of about $261 million, this was more than offset by the revenue derived from shipping alone, about $277 million. All other foreign revenue during that year amounted to not more than about $5·5 million.

Because of her small population and therefore modest export and import trade, only 15 to 20 per cent of Norway's merchant fleet plys the home waters. By far the greater part is employed between foreign ports —90 per cent of the tramp fleet, 75 per cent of the liner fleet and 95 per cent of the tanker fleet. The whole merchant fleet's existence depends almost entirely on foreign charter work. However, the fleet is now experiencing rather heavy weather.

Heavy War Losses

During the years 1940-45 Norway lost around 2·4 million tons of shipping, that is, roughly 50 per cent of her prewar fleet. Not only had these losses to be replaced, but many of the ships used during the war required long overdue major overhauls and, in many cases, complete rebuilding. Norwegian yards were not able to undertake such a large program and 80 to 90 per cent of the new building was contracted for abroad. World prices rose at an alarming rate and with them the cost of shipbuilding and repairs. In 1948 the Norwegian Government prohibited further building contracts abroad. This prohibition was upheld until 1950 when it was partly relaxed. It had already been estimated that by 1952 one-third of the Norwegian fleet would be over 20 years old and therefore due for replacement. But with all available yards working at

Shipping is a large contributor to Norway's national income and forms the backbone of her trading economy. The industry's problem today is to catch up on the overhauling of old ships and building of new ones, delayed by the war. This harpoon gunner is serving on a Norwegian whaler.

full capacity, deliveries could not and still cannot be made within less than three to four years and the building program has been delayed, although the prewar tonnage figure has long been passed.

The largest additions have been to the tanker fleet. In spite of operating costs five or six times as high as before the war, and building costs ten times as high, new building of tankers predominates because these vessels are often chartered for periods of up to ten years. With this guaranteed income, plus insurance of the vessels, it has been possible to spread the costs of building.

Looking Ahead

However, Norwegian shipowners are afraid they may be outstripped by foreign competition. The high freight rates obtained in the last four years are dropping, and some smaller vessels have been laid up. The companies themselves must bear the burden of any losses because the shipping industry is entirely unsubsidized. Furthermore, in the days of high freighting charges the Government imposed a flat rate tax on all gross earnings accruing from loads carried in Norwegian vessels, and this tax is still in force.

The Norwegian shipping industry is, however, a healthy one. Allowed to compete freely on the world's markets, it will undoubtedly continue to contribute, as in the past, between 5 and 8 per cent of the entire national income.

—J. L. Mutter
Commercial Secretary for Canada

Commodity Notes

AUSTRALIA

Gold—Figures announced by the Victorian Minister for Mines show that Victorian output of gold in April was 6,412 fine oz. worth £99,330, an increase of 1,446 fine oz. on the figure for April, 1952. Production for the first four months of the year was 23,789 oz., 3,174 oz. more than for the same period of 1952, valued at £368,534. The sustained improvement in the gold yield was mainly the result of greater output at the Morning Star mine, Wood's Point—Melbourne, July 15.

BRAZIL

Abrasives—The formation of a new company, Carborundum S.A. (Industria Brasileira de Abrasivos), to make abrasives of all kinds and insulating and refractory materials has been announced. Principal stockholder is reported to be the Carborundum Co. of Niagara Falls, N.Y.—Rio de Janeiro, July 18.

INDIA

Shellac—Bihar State faces the prospect of a serious decline in shellac production, its most important cottage industry. Over 150 shellac factories, constituting half the total in Bihar, and about 200 lac factories closed down in 1952. During the last three quarters of 1952 the value of exports of shellac dwindled to Rs.57·8 millions, as against Rs.122·3 millions during the same period of 1951. The volume of exports fell from 365,499 maunds in 1951 to 228,445 maunds in 1952 (one maund=80 lb.). The main reason is the growing and effective competition of synthetic resins. The solution lies in the production of shellac of a better and more uniform quality, and intensive exploitation of the home market—New Delhi, July 4.

ISRAEL

Wrapping Paper—The first paper plant to be established in Israel has recently begun producing, with a monthly capacity of 200 tons of wrapping paper to be made from scrap paper which is available locally. The new plant will mean a considerable saving in foreign exchange—Athens, July 13.

JAPAN

Scrap Steel—The Ministry of International Trade and Industry has announced that, for the year ending March 31, 1953, actual imports of steel scrap amounted to 662,265 tons, as compared with the 360 thousand tons originally estimated. India was the chief supplier, 191,778 tons, followed by Ryukyu Islands, 97,750 tons—Tokyo, July 20.

NETHERLANDS

Eggs—A 30 per cent increase in egg production (representing 325 million eggs) in the last six months of 1953 has been forecast by the Netherlands Minister of Agriculture. This would mean a total of over 1,000 million eggs for export in the next six months, 50 per cent more than in the same period last year when 680 million were exported. The Minister expressed confidence in market prospects, particularly in Germany whose egg imports are liberalized. Eighty-five per cent of Holland's egg exports, half her total output, is marketed in Germany with smaller amounts going to France, Switzerland, Belgium, the U.S. and, from time to time, Canada—The Hague, July 23.

NEW ZEALAND

Meat—During the 1951-52 season (ending September 30, 1952) 600 thousand tons carcass weight of meat was produced. The previous record was 577,400 tons in 1949. Beef and mutton accounted for the main increases. Prewar average production of meat is put at about 468 thousand tons, which indicates an increase of some 28 per cent in last season's production—Wellington, July 14.

SOUTH AFRICA

Wheat—Dr. A. W. O. Bock, Manager of the Wheat Industry Control Board, announced on his return from Washington recently that South Africa was assured of wheat imports during the 1953-54 season, although the price of imported wheat would increase for a period. Dr. Bock said that South Africa's wheat consumption was rising steadily and had increased in a few years from eight million to more than nine million bags (200 lb.) a year. During the 1952-53 season, South Africa will import nearly three million bags of wheat from the United States and Canada at a landed cost of about £7 million—Johannesburg, July 16.

WEST GERMANY

Iron and Steel—In 1952 production of crude iron blocks and rolled steel exceeded 1936 production for the first time since the end of the war. During the second half year, crude steel production exceeded that of the previous year by 11 per cent; production of rolled steel was 14 per cent higher. Exports of rolled steel decreased from 1·4 million tons in 1951 to 1·06 million tons in 1952—Bonn, July 20.

Mexico

The Changing Market in Oils and Fats

Not long ago, Mexico had to import large quantities of these products. Now domestic production covers most of her needs; the few imports are balanced by sales abroad.

MEXICO CITY—In the last few years, Mexico has become self-sufficient in vegetable and animal oils and fats. Canadian producers of tallow and hog lard, and of some vegetable oils and fats, still can find buyers in Mexico, but these Mexican purchases abroad are compensated by exports.

Production of vegetable oils and fats in the five years 1934-38 averaged 53,789 metric tons—largely from cotton seed, copra, palm nuts, sesame, peanuts and linseed—and about 23,000 metric tons of copra fat had to be imported every year. In addition, Mexico imported an average of 1,794 metric tons of hog lard and 277 tons of tallow to bolster domestic production of only 46,667 metric tons.

By 1951, the story was different, as the table below, giving the increase, shows:

Fats and Oils Production

(in metric tons)

	1934-38	1951	Relative (per cent)
Vegetable fats and oils	53,789	183,424	341·01
Animal fats	46,667	69,226	148·34
Totals	100,456	252,670	251·50

Demands of Industry

As Mexican industry developed, soap-makers needed heavy imports of copra and used from 15 to 17 per cent of the total fats consumed. But in the course of the seven years ending in 1951, domestic production grew so quickly that industry's needs were satisfied, imports remained more or less stable, and a small margin became available for export.

The National Bank of Foreign Trade, a government agency, calculated the apparent consumption of oils and fats as follows:

PRODUCTION	1945	1950	1951	1952
		(in metric tons)		
Vegetable oils and fats	86,529·0	175,548·0	183,424·0	179,000·0
Hog lard	11,548·3	16,582·5	11,911·4	14,000·0
Tallow	25,788·3	65,032·4	57,315·1	62,000·0
Total	123,865·6	257,162·9	252,650·5	255,000·0
IMPORTS				
Vegetable oils and fats	999·1	1,921·9	8,255·6	
Hog lard	20,842·0	9,446·0	12,511·0	
Tallow	8,681·0	848·0	11,539·0	
Total	30,522·1	12,235·9	32,305·6	
Total (disposable)	154,387·7	269,399·8	284,956·1	

EXPORTS	1945	1950	1951	1952
Vegetable oils and fats	85,209·0	166,844·8	185,112·5	
Hog lard	32,390·3	26,048·5	24,422·4	
Tallow	24,469·3	65,880·4	68,854·1	
Total	152,068·6	258,813·8	278·389·1	

Vegetable Oilseeds

Production of vegetable oil seeds increased notably between 1940 and 1950:

	1940	1949 (in metric tons)	1950
Cotton seed	96·7	304·1	393·0
Sesame seed	34·2	68·9	78·8
Peanuts in shell	15·8	35·1	59·0
Copra and palm nut	24·1	42·4	56·4
Linseed	1·7	47·3	49·8
Castor seed	3·4	2·1	2·5
Total	175·9	499·9	639·5

Production in 1950 thus showed an increase of 175 per cent over 1940. In 1940, imports of oil seeds amounted to 67,321 metric tons as compared with an average of 6,487 metric tons annually from 1946-50. And where, in 1940, the soap industry bought 98 per cent of all imports, purchases abroad in 1950 consisted almost entirely of cotton seed for planting.

Exports and Consumption

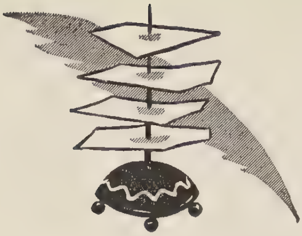
Quantity of oil seeds exported rose from 225 metric tons in 1940 to 5,315 metric tons in 1946, 39,491 metric tons in 1950 and about 45,000 tons in 1952. These sales abroad chiefly consisted of linseed and peanuts.

The apparent consumption of oil-bearing seeds, which continues to rise and has been paced by production in 1950-52, developed in the following way:

	1940	1949 (in metric tons)	1950
Cotton seed	97·7	308·1	395·6
Sesame seed	34·2	69·9	78·8
Peanuts in shell	15·8	34·6	43·7
Copra and palm nut	90·3	44·9	56·5
Linseed	1·6	9·7	27·3
Castor seed	3·4	2·1	2·5
Total	243·0	468·3	604·4

—C. B. SMITH
Office of the Commercial Counsellor for Canada

In May, Canada's production of steel ingots reached an all-time high of 358,896 tons, says a recent DBS report. This represented a gain of nearly 7,000 tons over April 1953. Output for the first five months of 1953 reached 1,723,649 tons, a gain of 11 per cent over the first five months of 1952.



General Notes

ARGENTINA

German Car Assembly Plant—An article in a Buenos Aires trade paper states that the Daimler-Benz Company of West Germany has sent representatives to Argentina to examine the possibility of establishing a plant for the assembly of their motor cars. The preliminary negotiations were carried on for two years and full agreement has now been reached between the company's representatives and the Argentine Government. Technicians imported from Germany will be used while Argentine personnel are being trained. No mention is made of the date when this factory will begin operations—Buenos Aires—July 17.

AUSTRALIA

Labelling Textile Imports—The Federal Government has introduced a new system for the labelling of imported textiles and wearing apparel. From now on, it will be necessary for all such items to be marked according to wool percentages in their content, together with the names of other fibres they contain. Textile products will now be classified under the following headings:

1. Goods with 95 per cent or more pure wool will be marked "pure wool".

2. Goods containing less than 95 per cent but not less than 5 per cent of wool will show the percentage of wool in addition to the names of other fibres in order of their dominance.

3. On goods of less than 5 per cent wool the trade description will show the names of non-woollen fibres in order of dominance, followed by the words "less than 5 per cent wool".

4. On goods containing no wool the description will indicate the name of the fibre of the goods, or if two or more fibres are present, they will be indicated in order of dominance—Melbourne, July 14.

CUBA

Public Works Program—Cuba plans to float a bond issue not exceeding $20 million, the bonds to be issued on a 20-year basis with interest at 5 per cent. The revenue will be used to continue a public works program which includes completion of the airport at Santiago de Cuba and the aqueduct of Santiago de Cuba, construction of a sports palace and sports field in Havana, and a number of road construction projects—Havana, July 20.

DENMARK

Marshall Aid No Longer Required—From 1948 up to the end of 1952, Denmark has been allotted Marshall goods to the value of $270 million, or 2 per cent of the total Marshall Aid granted to Europe. Of this amount, $238 million was a gift and the remainder a long-term loan at 2½ per cent. Since the end of the year Denmark has received another $30 million. As a result of this aid, reconstruction in Denmark has now reached a point where further allocations of Marshall Aid are unnecessary, and the Danish Government has advised the Marshall organization to this effect. This will not entail Denmark's exclusion from the American offshore purchases in Europe. The possibilities of Danish participation in this program have so far been restricted but attempts are being made to increase the country's capacity to share in the offshore procurement program—Oslo, July 22.

PHILIPPINES

Central Bank Controls Imports—The Import Control Commission of the Philippines will end its activities on June 30, 1953 and the Central Bank will take over the task, by virtue of the Philippine Foreign Exchange Control Regulations. Interested exporters and others may inspect copies of the rules issued by the Central Bank to control imports after July 1st, by writing to the Director, Trade Commissioner Service, Department of Trade and Commerce, Ottawa, or to the Western Representative of the Department of Trade and Commerce, Marine Building, 355 Burrard Street, Vancouver, B.C.—Manila, July 18.

UNITED KINGDOM

Fuel Efficiency—The British Productivity Council will form and sponsor a non-profit-making company to develop fuel efficiency advisory services for industry. The company is promised an income of £450 thousand, of which the national Coal Board will contribute £250 thousand, and the British Electricity Authority and the Gas Council £100 thousand each. This income is to be supplemented by voluntary contributions and fees—London, July 24.

UNITED STATES

Cattle Prices—Cattle prices averaged $17.30 at U.S. farms in mid-April; hogs averaged $20.70. A year earlier cattle averaged $27.70; hogs, $16.40. These figures reflect the opposite price trends of the two major meat animals in the past year, when cattle declined 38 per cent and hogs advanced 26 per cent. Hog prices passed the all-cattle average in February. On the basis of annual average prices, hogs had lagged below cattle since 1948. Before 1948, hogs usually averaged higher than cattle.

The sharp boost in hog prices has reflected the holding back of more gilts for breeding and a more active storage demand by packers, as well as the smaller supply because of the farmers' cut-back in the number raised. It indicates that there is still a considerable demand for pork and that it enjoys some independence from beef prices—Chicago, July 27.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Montreal—August 31-September 4
Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Montreal—August 17-26
Toronto—August 27-September 4
Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

Richard Grew, Commercial Counsellor in New Delhi, India, began a tour of Canada in Ottawa on June 29. He will visit Montreal, August 3-7.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, begins the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Saint John—August 6
Montreal—August 10-19
Ottawa—August 20-22
Winnipeg—August 25-26
Vancouver—August 29-September 4

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines. Windsor, Sarnia, Hamilton, Peterborough, Preston, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

Trade and Tariff Regulations

BRAZIL

Sale of Foreign Exchange—The Free Exchange Market law of January provided that all or part of the foreign exchange proceeds from minor Brazilian exports might be sold in the free market. Subsequently, percentages ranging from 15 to 50 per cent of proceeds from specified exports have been so authorized.

By a notice of July 7, all the export items accorded these various mixed export rates were made subject to a single mixed rate of 50 per cent at the free and 50 per cent at the official. This uniform export rate is to remain in effect until December 31st, 1953. After this date the effective rate will be reduced to 40 per cent at the free and 60 per cent at the official. The official rate of exchange is 18·5 cruzeiros to the U.S. dollar; the free rate is approximately 43·5 cruzeiros to the U.S. dollar.

GREECE

Tariff Coefficients Reduced—Effective July 21, 1953, the coefficients for converting specific rates of duty of the Greek Import Tariff from metallic drachmae to actual currency were reduced on a considerable number of tariff items.

The reductions were made in compliance with Greece's obligations under the General Agreement on Tariffs and Trade. Under the General Agreement, Greece had bound the coefficient rates on scheduled items. However, in July 1952 the rates on some items were increased to meet what were held to be acute financial difficulties. In response to protests from other members of the GATT, Greece undertook to restore the lower rates by July 1953.

The restoration of the former conversion coefficient rates affect such items as cardboard, packing paper and wallpaper; certain iron bars and sheets; iron wire, screws and rivets; nitric acid, ammonium chloride, glycerine, iodine, zinc oxide, and ink. Information on the specific items affected may be obtained from the International Trade Relations Branch.

This change does not affect the additional coefficient which was announced in Foreign Trade of May 16.

UNITED KINGDOM

Private Buying of Copper—The Board of Trade has made arrangements to facilitate the private purchase of unwrought, refined and blister copper in the form of anodes, bars, billets, cakes, cathodes, ingots, ingot-bars, slabs and wirebars, by consumers and other traders when dealings re-open on the London Metal Exchange on August 5th.

Members of the London Metal Exchange who participate in the Bank of England Exchange Control Scheme will be granted Open Individual Licences valid for imports from any source.

Applications for Open Individual Licences to import copper will also be considered from consumers' and producers' agents, who wish to import regularly substantial quantities other than through the medium of the London Metal Exchange. These applications must state the quantities expected to be imported during the ensuing 12-month period and the sources of supply, and must be supported by an undertaking to make regular monthly returns to the Board of Trade.

Applications for specific licences will be considered from any others who may wish to import—London, July 27.

UNITED STATES

Tariff Commission Investigation into Wool Imports—By direction of the President, the United States Tariff Commission instituted on July 10, 1953, an investigation under section 22 of the Agricultural Adjustment Act to determine whether wool is being, or is practically certain to be, imported into the United States under such conditions and in such quantities as to render, or tend to render, ineffective, or materially interfere with the price-support program for wool undertaken by the U.S. Department of Agriculture, or to reduce substantially the amount of products processed in the United States from domestic wool. A public hearing will be held in the Tariff Commission Building, Washington, at 10 a.m. on August 31, 1953.

VENEZUELA

Ban on Canadian Livestock Lifted—The Venezuelan Minister of Agriculture announced on June 16th the lifting of the ban on imports of Canadian livestock into Venezuela. The import of Canadian cattle has been prohibited since the outbreak of foot and mouth disease in Saskatchewan in February 1952—Caracas, June 23.

Plans to develop native sources of vermiculite—used for insulation in buildings, for acoustic tile and wallboard, as a concrete and plaster aggregate and as a rooting medium—are moving forward. At present most of the vermiculite used here comes from the United States and South Africa.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor Acting Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1,	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Acting Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy †Avenida Jimenez No. 7-25 Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 356 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* OPEra 42-30
Germany Federal Republic Germany	B. A. Macdonald, Commercial Counsellor Wm. Van Vliet, Agricultural Secretary	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* Bonn 21971

Territory	Officer	City Address	Mail and Cables, Office Telephone
reece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 72-853
uatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, GUATEMALA CITY	*Mail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
ong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
ndia	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
dia Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
ndonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Tanah Abang Timur 2, DJAKARTA	*Mail;* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
eland	T. G. Major, Commercial Counsellor	†Canadian Embassy 66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
aly Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
aly	C. F. Wilson, Agricultural Counsellor		
aly	M. S. Strong, Commercial Secretary (Fisheries)		
maica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
maica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
pan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
banon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN
xico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
therlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
therlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
w Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
rway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80

Territory	Officer	City Address	Mail and Cables, Office Telephone
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 370 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71950
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 182 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Addre *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 11 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy Kirchenfeldstrasse 88 BERNE	*Mail:* (City Addr *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 12 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Addr *Cable:* SLEIGHING *Tel.:* Whitehall 87
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables, Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	†Leslie G. Chance, Consul General of Canada	Canadian Consulate General 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	C. C. Eberts, Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
Venezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
Venezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00883.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. July 23*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1321	
		Basic buying	·1982	
		Preferential selling	·1982	(1)
		Basic selling	·1321	
		Free	·07135	
Austria	Schilling		·03812	
Australia	Pound		2·2330	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01984	
Bolivia	Boliviano	Official	·00522	
British West Indies	Dollar		·5815	(3)
	Pound		2·7912	(4)
	Dollar	Brit. Honduras	·6978	
Brazil	Cruzeiro	Official	·05358	tax 8%
		Free	·02276	(2)
Burma	Kyat		·2093	
Ceylon	Rupee		·2093	
Chile	Peso	Official	·00901	(1)
Colombia	Peso	Basic	·3965	tax 3% (2)
Costa Rica	Colon	Official	·1765	(5)
		Controlled Free	·1492	*
Cuba	Peso		·9912	tax 2%
Czechoslovakia	Koruna		·1377	
Denmark	Krone		·1435	
Dominican Republic	Peso		·9912	
Ecuador	Sucre	Official	·06609	(6)
		Free	·05703	
Egypt	Pound		2·8464	
Fiji	Pound		2·5146	
Finland	Markka		·00431	
France	Franc		·00283	
French Africa	Franc		·00566	
French Pacific	Franc		·01557	
Germany	D Mark		·2360	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9912	
Haiti	Gourde		·1982	
Honduras	Lempira		·4956	
Hong Kong	Dollar	Free	·1643	*July 10
Iceland	Krona	Official	·06087	
		Special buying	·04687	
		Special selling	·03776	
India	Rupee		·2093	
Indonesia	Rupiah	Basic	·08695	(7)
		Dollar certificate	·00187	*

* Latest available quotation date.

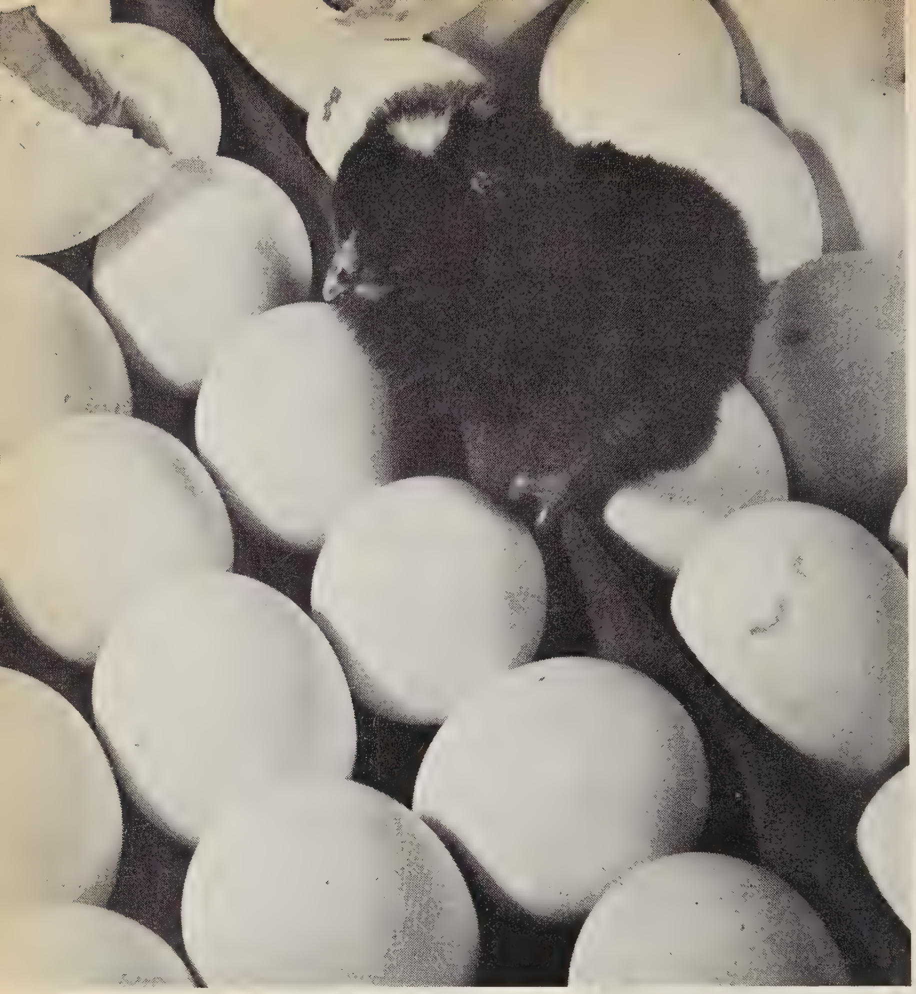
Country	Unit	Type of Exchange	Canadian dollar equiv. July 23	Notes (See below)
Iran	Rial	Certificate I	·00802	*June 25
		Certificate II	·00790	*June 25
Iraq	Dinar		2·7755	
Ireland	Pound		2·7912	
Israel	Pound	Basic	2·7755	
		Special	1·3877	
		Investment	·9912	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·2959	
Mexico	Peso		·1146	
Netherlands	Guilder		·2609	
Netherlands Antilles	Guilder		·5256	
New Zealand	Pound		2·7912	
Nicaragua	Cordoba	Effective buying	·1502	(8)
		Official selling	·1406	
		With Surcharge I	·1231	
		With Surcharge II	·09863	
Norway	Krone		·1388	
Pakistan	Rupee		·2996	
Panama	Balboa		·9912	
Paraguay	Guarani	Basic	·06609	(1)
		With Surcharge I	·04720	(9)
		With Surcharge II	·03304	
Peru	Sol	Certificate	·06100	
Philippines	Peso		·4956	tax 17% (2)
Portugal	Escudo		·3458	
El Salvador	Colon		·3965	
Singapore & Malaya	Straits dollar		·3256	
South Africa (Union of)	Pound		2·7912	
Spain & Dependencies	Peseta	Basic buying	·04526	
		Basic selling	·08834	
		Basic commercial selling.	·06035	(1)
		Free	·02516	
Sweden	Krona		·1916	
Switzerland	Franc		·2313	
Syria	Pound	Free	·2767	*June 15
Thailand	Baht	Official	·07930	(1)
		Free	·05506	*May 29
Turkey	Lira		·3540	
United Kingdom	Pound		2·7912	
United States	Dollar		·9912	
Uruguay	Peso	Official	·6526	
		Basic buying	·5568	
		Special buying	·4218	(1)
		Basic selling	·5217	
		Special selling	·4045	
Venezuela	Bolivar		·2959	(10)
Yugoslavia	Dinar		·00330	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



which came first?

The broken shell and the brand-new chick prove that the egg came first. But who laid the egg? You could peck away at the problem indefinitely, so perhaps we had better leave it for the hens and the aviculturists to unscramble.

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foreign trade

AUGUST 8, 1953

Venezuela Plans Its Agricultural Future

foreign trade

L. 14 OTTAWA, AUGUST 8, 1953 NO. 345

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. Howe, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

The Foreign Trade of France

What is the pattern of French foreign trade? Has it changed significantly from prewar years? The following article analyzes the trade figures, and answers these questions.

PARIS—French exports were badly hit by the sterling area import restrictions that were imposed towards the end of 1951 and early in 1952. A poor '51 grain harvest and the alarming spread of foot and mouth disease made things still more difficult and seriously affected the balance of trade. Increased exports to the French overseas territories partially offset the drop in exports to foreign countries, but imports had to be stepped up in spite of the deliberalization taking place within the European Payments Union area.

For these reasons, the final results of French foreign trade in 1952 were disappointing and the adverse balance was heavy. However, the year ended on a rising trend of exports and this has continued into 1953. The dollar problem remains as intractable as ever and, because exports to the United Kingdom have fallen, the balance of payments with the EPU area is causing almost equal concern.

Trends in Trade

The following table shows the gradual deterioration over the last three years. It does not, however, reflect the improvement that became apparent during the last quarter of 1952 and that still continues in a modest way. The average monthly exports to foreign countries for the last quarter of 1952 totalled 73 billion francs (76·8 billion in the last quarter of 1951) and for the first four months of this year 73·7 billion (67·7 billion in the same period of 1952). Meanwhile imports fell to 89 billion a month (115·1 billion in 1951) and 98·6 billion (124·8 billion in 1952) respectively. These more favourable figures for foreign countries could not, however, offset entirely a drop in trade with the French overseas territories. The total trade with both foreign countries and French overseas territories has not yet reached the levels of the end of 1952 or even the first part of that year:

	1950	1951 (in billion francs)	1952
Total Trade			
Exports	1,077	1,484	1,416
Imports	1,072	1,565	1,592
	+ 5	— 81	— 176
Foreign Trade			
Exports	690	937	818
Imports	792	1,229	1,232
	— 102	— 292	— 414
French Overseas Territories			
Exports	387	547	598
Imports	280	336	360
	+ 107	+ 211	+ 238

The re-appearance of the adverse balance of trade is disappointing, but it is not necessarily a result of the war. From 1929 to 1938 France had consistently heavy adverse trade balances—over 16 per cent of total trade, which included adverse balances for the last seven of these years with the French overseas territories.

Because of changes in the value of the franc, direct comparison by value with prewar years is of little help. However, the volume of both exports and imports to foreign countries has risen considerably above prewar; exports to the French overseas territories have increased enormously in volume, and imports have fallen considerably.

Throughout 1952 the terms of trade (i.e., the ratio of average prices for French exports to average prices of imports into France) steadily improved. Actually this improvement set in during the third quarter of 1951 and went on without interruption until the end of 1952, when the ratio was well above 1950.

Dollar Exports Down

In 1952 French exports to the dollar area fell heavily. Imports were also down but the year ended with an increased dollar deficit compared with 1951. There is no significant trend in comparison with the prewar period. The percentage of dollar imports to total imports from foreign countries (i.e., excluding the F.O.T.) dropped slightly, but it is not yet significantly below the percentage in 1938.

Trade with Dollar Area*

	1938 %	%	1950 billion francs	%	1951 billion francs	%	1952 billion francs
Exports	10·0	8	58	12	110	9	77
Imports	19·7	20	163	18	227	17	215
Balance .			—105		—117		—138

* That is, the United States, Canada, Costa Rica, Cuba, Dominican Republic, Guatemala, Haiti, Honduras, Nicaragua, Panama, El Salvador, Colombia, Venezuela, Philippines, Liberia.

So far this year, exports to the dollar area have improved and imports have dropped significantly. For the first four months of 1952 and 1953 the figures were as follows, compared with the percentage of total foreign imports and exports:

	1952 %	1952 billion francs	1953 %	1953 billion francs
Exports	10·0	27·1	11·9	35·1
Imports	21·2	105·7	15·6	61·5
Balance		— 78·6		—26·4

The value of imports financed by U.S. Mutual Aid funds is included in these figures. In 1952 these imports were valued at 99·1 billion francs, considerably below MSA imports in 1951. These amounts are not all Aid because they include costs of shipping and insurance which may have been paid in French francs. The c.i.f. value of imports financed by Aid works out at 46 per cent of total 1952 imports from the dollar area.

These imports under Mutual Aid in 1952 included fuels and food products to a greater extent than in 1951. Some 46·5 per cent of the total was in fuels, 19 per cent machinery for industry, 15·5 per cent raw materials and semi-finished products for industry, and 11·8 per cent foods (reflecting the abnormal wheat imports).

76490—2

The cut in imports imposed by the United Kingdom last year is reflected in the 1952 French exports to the sterling area. As the table shows, the drop in sterling area trade is exclusively with that part belonging to the OEEC (principally the United Kingdom, Colonial Empire, Kuweit, and Ireland).

Trade with Total Sterling Area*

	1938	1950		1951		1952	
	% total Foreign trade	%	billion francs	%	billion francs	%	billion francs
Exports	18·7	20	141	22	209	19	153
Imports	31·2	31	247	35	449	35	435
Balance .			—106		—240		—282
Of Which OEEC Sterling Area							
Exports	16·4	16·1	111	16·9	158	12·5	102
Imports	16·5	10·6	84	13·2	162	13·5	166
Balance .			+ 27		— 4		— 64
Other Sterling Area							
Exports	2·3	4·3	30	5·5	52	6·2	51
Imports	14·7	20·6	163	23·4	287	21·8	269
Balance .			—133		—235		—218

* Principally the United Kingdom, Colonial Empire, Kuweit, Ireland, Iceland, Saudi Arabia, Ceylon, Iraq, Iran, India, Pakistan, Australia, New Zealand, South Africa.

France seems to be increasingly dependent on the sterling area for vital imports. Although she has considerably increased her actual exports and percentage of exports to the "other sterling area", this increase has not offset the serious drop in exports to the United Kingdom (OEEC Sterling Area).

The first returns for 1953 do not show as great an improvement for the sterling area as in trade with the dollar area and the rest of the OEEC countries. The position during the first four months was:

	%	1952 billion francs	%	1953 billion francs
Total Sterling Area—				
Exports	21·6	58·5	17·4	51·4
Imports	33·6	167·4	36·5	144·6
Balance		—108·9		— 93·2
OEEC Sterling Area—				
Exports	14·1	38·2	12·2	36·0
Imports	12·4	62·1	13·8	54·6
Balance		— 23·9		— 18·6
Rest of Sterling Area—				
Exports	7·5	20·3	5·3	15·4
Imports	21·1	105·3	22·8	90·0
Balance		— 85·0		— 74·6

For the rest of the OEEC area (i.e., less the sterling area part) the trade of France shows a slight trading profit. This area still remains the principal outlet for French exports and shares with the sterling area the first place as a source of imports. As the following table shows, this pattern is little changed from prewar:

Trade with Remaining OEEC Countries

	1938	1950		1951		1952	
	%	%	billion francs	%	billion francs	%	billion francs
Exports	50·5	51	353	45	420	51	418
Imports	33·0	33	261	31	402	32	390
Balance .			+ 92		+ 18		+ 28

The comparison with 1938 cannot be exact, because the 1938 percentage includes trade with all Germany and the postwar figures only include Western Germany. Apparently, however, there has been no radical shift in the pattern of trade with Continental Europe.

In the first four months of 1953, exports to these countries increased and imports fell sufficiently to turn an adverse balance into a positive one:

	%	1952 billion francs	%	1953 billion francs
Exports	47·6	129	52·6	154
Imports	30·0	150	32·7	129
Balance		— 21		+ 25

Trade with Other Countries

French exports to and imports from other countries (this is, those not included in any monetary areas) declined in 1952:

Trade with All Other Countries

	1938 % total Foreign trade	1950 %	1950 billion francs	1951 %	1951 billion francs	1952 %	1952 billion francs
Exports	20·8	21	138	21	197	21	170
Imports	16·1	16	122	16	201	16	192
Balance			+ 16		— 4		— 22

Of Which Soviet Bloc*

	1938 % total Foreign trade	1950 %	1950 billion francs	1951 %	1951 billion francs	1952 %	1952 billion francs
Exports	6·4			2·9	27·2	4·5	36·9
Imports	5·6			3·8	37·6	3·3	40·2
Balance					— 10·4		— 3·3

* Russia, Czechoslovakia, Finland, Poland, Bulgaria, Hungary, Romania, Eastern Zone Germany.

Trade with Sterling Area Significant

To sum up, the only significant change in the distribution of trade is that with the sterling area. French trade with the sterling area outside the OEEC shows a continuous rise in the share of total exports (2·3 per cent in 1938, 4·3 per cent in 1950 and 6·2 per cent in 1952). In 1952, this was principally at the expense of the United Kingdom, so that any relaxation of the import restrictions by the United Kingdom or by the sterling area as a whole will have the greatest significance for France. On the import side there is a slight drop in dollar imports (19·7 per cent in 1938, 20 per cent in 1950, and 17 per cent in 1952), that would have been more pronounced if France had not found it necessary to bring in dollar wheat last year. However, there was also a considerable increase in the share of imports by the sterling area (other than U.K.) compared with 1938 (14·7 per cent in 1938, 21·8 per cent in 1952), which was offset by a decline in imports from the United Kingdom and the dollar area.

—R. G. C. Smith
Commercial Counsellor for Canada

—This study will be continued in our next issue.

Venezuela

Planning the Agricultural Future

Constant progress in improving Venezuelan agriculture may mean a changed emphasis in imports—from, products for immediate use to products to be processed by the food industries.

CARACAS—Venezuelan agriculture has made outstanding progress during the past twelve months, although the country is still some years away from self-sufficiency in a number of basic foodstuffs. Food products continue to form about 16 per cent of total imports, with flour, oats, barley, rice, potatoes, sugar, fruit, eggs, and powdered milk bulking large. The Venezuelan Government is actively promoting agricultural development in accordance with its basic policy of endeavouring to reduce the excessive dependence on the all-important oil industry. This policy has frequently been described as "sowing the petroleum".

Production and Imports of Selected Venezuelan Foodstuffs

(000 metric tons)

	1950		1951		1952	
	Prod n.	Imports	Prod n.	Imports	Prod n.	Imports
Corn	300·0	13·3	312·9	17·7	343·1	3·8
Rice, hulled	23·5	27·6	24·1	24·5	29·6	2·5
Oats	ncp	11·7	ncp	8·9	ncp	13·0
Barley, malted	ncp	16·3	ncp	18·4	ncp	20·1
Flour	4·0†	113·2	4·6†	127·9	4·1†	123·5
Potatoes, table	22·9	38·4	32·0	39·0	23·8	34·6
Potatoes, seed	ncp	5·1	ncp	3·7	ncp	7·3
Sugar, refined	50·4	37·6	45·3	51·0	64·9	30·6
Milk, powdered	1·5	30·4	1·7	32·1	2·5	33·0
Eggs	‡	10·0	‡	8·7	‡	11·6

ncp—no commercial production
†—local wheat production
‡—not subject to counting and weighing
Source: Venezuelan Ministries of Agriculture and Development.

Coffee Dominates Exports

Coffee and cacao are the only agricultural products of any significance in Venezuela's export trade. Coffee exports in 1952 reached 30,000 metric tons, a marked increase over the 19,000 tons for 1951. Official estimates for the current crop indicate that production will probably reach 54,000 tons, leaving a total of approximately 36,000 for shipment abroad after domestic demand has been satisfied. The United States today takes 93 per cent of Venezuelan coffee exports and Venezuelan producers are endeavouring to develop greater sales in European countries and in Canada. The rise in world coffee prices during the last three years has encouraged local growers to improve their properties, although there has been no noticeable expansion in total coffee acreage.

The corn harvest gets under way in Aragua. Production of corn comes close to satisfying the domestic demand and the Government is encouraging larger plantings by allowing credits for land clearing, buying machinery.

Cacao production this year is reported to be about that of 1951 and 1952—some 16,000 metric tons. Local requirements are estimated at 700 tons, and this means a substantial amount available for export. High production costs have fostered a tendency to concentrate on developing the higher grades of cacao, which enjoy an excellent reputation in foreign markets. The 1952 United States-Venezuela trade agreement gave greater protection to Venezuelan manufacturers of cocoa products and this has assisted them in expanding their domestic sales. Local consumption of cacao should increase in the future.

COMMODITY COMMENTS

Corn—Venezuelan corn production comes close to satisfying national requirements for this grain, the basic ingredient for several food products used by the majority of Venezuelans. The trend in recent years towards the use of wheat as a breadstuff has mainly affected those living in the cities. The Ministry of Agriculture is planning to expand corn acreage with a view to increasing annual production by some 30,000 tons. Farmers will receive credits for the clearing of land and for the purchase of farm machinery.

Wheat—The small amount of wheat produced in Venezuela is grown in the Andean highlands in the western part of the country, is grouped by small local mills and is consumed in the immediate area. Substantial imports in the form of flour continue to be necessary because attempts to develop a wheat suitable for large-scale production in Venezuela have proved unsuccessful. There is much interest in the establishment of additional flour mills to mill imported wheat and to supply mill feeds

76490—3

for the growing animal feed industry. So far none of the proposals has taken concrete form, but there is evidence that the Government is prepared to support any project showing signs that it can operate successfully, without creating a monopoly.

Rice—The rice program of the Venezuelan Development Corporation has been one of the most successful projects undertaken by this official organization. An additional 50,000 acres is to be planted this year and farmers will again receive financial assistance to purchase machinery, insecticides and seed. Present plans call for Venezuela to be self-sufficient in rice by 1955.

Sugar—Although local refined sugar production has been rising steadily, domestic consumption has been growing even faster. The Venezuelan Development Corporation is sponsoring the construction of five new sugar mills and the expansion of an existing plant. When the new mills are completed, the current rate of production should be augmented by an additional 87,000 tons a year. The Venezuelan objective is self-sufficiency in sugar by 1956.

Powdered Milk—Venezuelan imports of powdered milk rose from 27,365 metric tons in 1949 to 33,000 tons in 1952, even though output from the single Venezuelan factory is increasing steadily. In April 1953, the Government reduced the import ratio of ten units of imported powdered milk free of duty for each unit of local milk purchased by local importers, to six to one, in order to ensure that local production is completely taken up. The Ministry of Development is studying the feasibility of establishing additional powdered milk plants to reduce dependence on foreign supplies. Dairy herds are being built up and prospects are that the 1953 production will be close to 4,000 metric tons, compared with 2,500 tons in 1952.

Animal Feeds—The high rates of duty on imported animal feeds imposed in 1949 have enabled local producers to expand feed output to 31,044 tons in 1952, compared with 15,792 tons in 1950. A large U.S. producer has granted formula rights and is supplying technical assistance to a Venezuelan firm. This company expects to initiate production of animal feeds at its new factory scheduled for completion next month. The demand for raw materials for this and existing plants may increase the pressure for the early establishment of a substantial flour mill in Venezuela.

Cattle Imports Up

The 1952 cattle population of 459,504 marks an increase over the 443,557 in 1951 and 400,052 in 1950. The measures taken to control the 1951 outbreak in Venezuela of foot-and-mouth disease have proved fairly successful and imports of cattle for dairy and breeding purposes are gaining in momentum. The ban on shipments of Canadian cattle, which had been in effect from March 1952 because of the foot-and-mouth out-

break in Saskatchewan, was removed by the Venezuelan authorities in June 1953. Local importers are again thinking about purchasing their requirements from Canadian livestock exporters.

Government Aids Agriculture

For the first time in many years, in 1952 the percentage increase in Venezuelan agricultural production exceeded the percentage rise in petroleum output. This is undoubtedly due to the active support of the Government through its different organizations and to the official policy of ensuring that local agricultural products are consumed before imports are permitted. Because risk capital for agricultural development has always been scarce in Venezuela, the Government has been forced to assume this financing role. Loans on liberal terms have been granted for increasing production and for the development of roads, irrigation projects, and storage facilities.

Percentage Increase in Venezuelan Production

Year	Petroleum	Agriculture	Industry (excluding petroleum)
1950	42·57	2·56	13·52
1951	20·01	—2·26	17·43
1952	8·26	13·40	20·01

Source: Central Bank of Venezuela "Memoria", 1952.

In addition, the Government, through the National Agrarian Institute, has sponsored the development of unexploited regions. Immigrants have received land and credits for purchasing machinery, seed, insecticides and fertilizers, and some of these "agricultural colonies" have proved successful. The Government has also furnished technical aid to farmers and established a system of minimum prices to ensure that the farmer receives adequate compensation for his efforts. The Government's action in obtaining greater protection for many of Venezuela's agricultural industries through the 1952 United States-Venezuelan commercial treaty has also benefited local producers.

The Future

The improvement in agricultural conditions during the past year has encouraged the Venezuelan Government and it will undoubtedly continue its present program to achieve self-sufficiency in basic foodstuffs. This is an important phase of the long-range national plan to obtain greater diversification of the Venezuelan economy in order to offset possible future reductions in oil sales abroad.

As far as imports are concerned, Venezuela's purchasing power will probably remain strong for many years though it will depend largely on the export of petroleum products. The major change which can be expected in future agricultural imports is a steady conversion from products for immediate consumption to those for processing by the expanding Venezuelan food industries.

—J. A. Stiles
Commercial Secretary for Canada

Japan Needs More Lumber

Repairing the damage caused by the recent floods in northern Kyushu will call for 78 million FBM. Domestic stocks will provide the bulk but imports will also rise.

TOKYO—The recent floods in northern Kyushu have created a special demand for lumber. Preliminary estimates place the quantity needed to rebuild bridges, buildings, and homes at 78 million FBM. Of this, nine million FBM is needed to repair and replace bridges in the flood area. The bulk of the lumber to meet the emergency will come from domestic stocks, but imports of Douglas fir, lumber and logs for bridge construction will be speeded up.

Domestic Prices Rise

The price of domestic lumber has risen recently as a result of the strong demand in both Japan and Korea, and the floods disrupted lumber operations and deliveries in Kyushu. Stockpiles of domestic lumber stood at 27,533,000 FBM on June 30th and there was every indication that they would speedily be reduced. Imports scheduled to arrive from the Pacific Northwest in the period July-September were estimated at 31,852,000 FBM. The flood emergency has created a demand for additional imports from this area estimated at four million FBM.

Lumber Imports Increasing

An increase in lumber imports from the Pacific Northwest was expected before the disastrous floods occurred. The principal demand has been for logs, and cedar logs in particular have been arriving in greater quantities from the United States. Douglas fir imports have been made up principally of lumber, and indications are that the volume of these imports will be gradually stepped up.

Lumber is imported under the automatic approval system which gives importers a maximum of freedom in negotiating with sellers. Import permits and foreign exchange can be obtained easily under this system, within the limits of foreign exchange allocations set up for individual commodities. There are a number of reputable importers in Japan specializing in the lumber trade and they are fully familiar with market conditions and import procedures.

—J. C. Britton
Commercial Counsellor for Canada

Commodity Notes

BRAZIL

Cement—Brazilian cement consumption is increasing every year. According to the Finance Ministry, almost 812 thousand tons were imported in 1952, as compared with 638 thousand tons in 1951. Prices increased from an average of Cr.$654 per ton in 1951 to Cr.$728 in 1952—Rio de Janeiro, July 14.

ISRAEL

Citrus Fruits—The season for citrus fruit exports closed this year in Israel with over 5·3 million cases shipped abroad to 18 different countries, compared with only 3·7 million last year. The citrus crop this year was not larger than in 1951-52 and citrus prices in the export market were no better, but growers were encouraged to export more by the improved exchange rates which the Government allowed for citrus exports this year. Conversely, supplies of citrus to local factories for processing fell by 40 per cent. As in previous years, the United Kingdom was Israel's best customer for citrus, followed by Holland, Belgium, Norway, Sweden, Finland and, for the first time, Soviet Russia—Athens, July 22.

Potash—The government-controlled potash works at the southern end of the Dead Sea will resume activity this summer, following the completion of the new Beersheba-Sodom road, expected to be ready for commercial use in June. Equipment is being overhauled, the railway line repaired, and the power plant rehabilitated. It is hoped that about 700 thousand metric tons of material buried under water since the suspension of operations in 1948 will be handled this summer and will yield 100 thousand tons of potash. Dead Sea potash is said to be of high quality and fortunately world demand for potash continues strong—Athens, July 22.

NETHERLANDS

Herring—The 1952-53 Netherlands' herring export season, which has just closed, was very satisfactory—475 thousand barrels, as compared with 487 thousand in 1951-52 (one barrel contains 100 kilos). Although the quantity shipped during the 1952-53 season was slightly

smaller than that in the preceding season, it should be remembered that a fairly large number of barrels of the 1950 catch sold to Western Germany were not shipped until late in 1951. The average price per barrel rose from Fl.52 in the 1951 calendar year, to Fl.58 during the calendar year 1952, the result of good quality and the increased demand, particularly from Belgium, West Germany, East Germany, Poland, Italy, Norway, France and Czechoslovakia—The Hague, July 28.

NORWAY

Textiles—Norwegian textile factories are meeting keen competition as a result of imports of foreign textile goods, particularly shirts from Czechoslovakia, cotton terry cloth from Portugal, upholstery material and rayon stockings from East Germany, and cotton dress materials from Japan. These imported textiles, although of poor quality, attract purchasers because of their low prices. As a result, a number of Norwegian factories, particularly those producing cotton materials of all kinds, have been forced to reduce production and labour staff. The Norwegian textile industry, which mainly manufactures cotton materials, rayon and nylon stockings and underwear, and coarser woollen materials such as tweeds, is now preparing a large-scale campaign to encourage the public to purchase Norwegian-made textiles which, though higher priced, are of considerably better quality —Oslo, July 25.

SOUTH AFRICA

Maize—A harvest of nearly 32 million bags of maize, with a value of 32/- per bag to the farmer, is forecast by the Department of Agriculture. With the exception of the 1947-48 crop when over 32 million bags were harvested, this season's crop promises to be the largest on record and certainly will bring in the largest cash return to the farmers—Cape Town, July 15.

Timber—A large number of South African importers have stopped buying timber in the hope of getting better prices in the months ahead. They have been encouraged to do so by the downward trend in Canadian and American prices for West Coast lumber and recent reductions in ocean freight rates. Some Johannesburg timber merchants look for a drop in Scandinavian prices later in the year. They reason that approximately 15 per cent of the lumber produced in Scandinavian countries has not yet been contracted for and if there is difficulty in disposing of this, prices will tumble to the level of North American mills—Johannesburg, July 15.

SWEDEN

Wood Impregnator—Boliden salt, developed by the Swedish Boliden concern for wood impregnating, has now been officially approved as a standard product in the United States. Approval has been given after several years of experimental and field work in America, and it is hoped that considerable export to the United States and other countries will result—Stockholm, July 21.

Denmark

Harvest-Time Holds Problems

Danish farmers look forward to a record grain crop with mixed feelings—and Canadians who market coarse grains there may find their sales slipping in the next few months.

THE HAGUE—The current prospects of a record grain harvest for the second successive year are being viewed with mixed feelings in Denmark. Gratifying from a production standpoint, record yields (particularly of barley) may prove embarrassing to both the country at large and to farmers. Bumper crops and substantial carry-overs seem assured in the major grain-producing countries and tumbling grain prices may prevent the draining off through exports of a large enough portion of the Danish crop. Should this happen, more grain will be fed to livestock and, in particular, Danish hog production would soar at a time when export markets are nearly satiated and the United Kingdom is pressing for a 10 per cent reduction in its bacon contract price.

The farmer's newly gained freedom to market grain as he pleases poses another problem. For the past 13 years the Government has exercised some form of control over grain marketing; in that time there has been a 50 per cent turn-over in farm operators. Farmers have become accustomed to disposing of their grain immediately after harvest at prices fixed in advance. Despite grumbling about this, it has enabled them to plan ahead and has assured them of ready cash for the winter months. With the prospect of bumper crops this year, many fear considerable confusion when the crops are in.

Crop Forecast

At first glance, the forecast of a record crop seems unwarranted. The wheat area has declined to 63,000 hectares from 74,000 a year ago. In addition, frost damaged about 6,000 ha. of this year's winter wheat. The rye planted, at 124 thousand ha., is 13,000 ha. smaller than last year. Oats have declined to 238 thousand ha. from 268 thousand in 1952. But much of the decrease in these crops has been made up by an increase of 35,000 ha. in barley—to a total area of 602 thousand ha. Mixed grains have increased by 4,000 ha. to 284 thousand, bringing the total area under grain this year to 1,311,000 ha., some 15,000 less than in 1952.

In June the forecast was for a decline in the total grain harvest of nearly half a million tons. However, personal observation of the crops in July, continuing reports of anticipated heavy yields, and the traditional conservatism of the Statistical Bureau's crop forecasts all suggest that 1953 grain production will exceed the 4,572,000 tons produced in 1952.

Grain Areas and Yields

	Area 1953	Area 1952	Yield 1953 (official June est.)	Yield 1952 Final
	'000 hectares		'000 metric tons	
Wheat	63	74	225	301
Rye	124	137	275	358
Barley	602	567	2,100	2,131
Oats	238	268	765	960
Mixed grains	284	280	745	822
	1,311	1,326	4,110	4,572

Some Imports Decontrolled

After 13 consecutive years of government control over domestic grain marketing, Danish farmers in 1953 will be free to dispose of their grain crops as they wish. Compulsory bread and coarse grain deliveries have been abandoned, the ban on feeding of bread grains to livestock removed, the export levies on seed grains and malting barley eliminated, and the inclusion of grain exports in the dollar premium scheme permitted.

Arrangements for last year's crop included compulsory deliveries of all bread grains to the Government (with some exceptions, including grain for seeding purposes) and coarse grain quotas based on the assessed value of farm land. Prices at which grains were delivered were:

	Dan. Kr./100 kg.
Fall wheat	52
Spring wheat	57
Rye	52
Barley	47
Oats	43
Mixed grains with a minimum barley content of 40 per cent	45

These prices ranged between 10 and 15 kroner per 100 kg. below prevailing world prices.

In the past year this system netted the Treasury some 35 million kroner. With world grain prices falling and another bumper crop in prospect, the Government this spring considered it opportune to abandon its control over domestic grain marketing. It still officially disapproves of the feeding of bread grains to livestock and this will be discouraged in the coming year by careful control over imports of wheat and rye to prevent the domestic bread grain price from falling below that of feed grains. In addition, exports of seed grains and malting barley will be carefully inspected to guard against veiled feed grain exports.

Centralized government purchases of foreign feed grains and oilcakes ended on May 15 this year and from May 21 private traders have handled such imports. Purchases from E.P.U. countries are henceforth entirely free from control but imports from other sources must be cleared by the Government Grain Bureau and the Danish National Bank.

New Trend Revealed

In the 1952-53 grain marketing season, a new trend has developed which gives every promise of being permanent. Where before the war Denmark had net grain imports of more than half a million tons, in the past year there was a net export of over 165 thousand metric tons. Total exports last year amounted to 366 thousand m. tons compared with 131 thousand in 1951-52. The bulk of last year's exports were made up of

This Danish farmyard scene reflects the prosperity which has followed on record crops. But removal of controls on marketing of grain, substantial carryovers in other countries makes even prosperity seem a problem.

malting barley amounting to 255 thousand m. tons, of which 191 thousand tons were against dollar payment and yielded close to $15 million. These were not exports to the United States but to Austria, Belgium, Germany and the Netherlands, via switch trade channels. A similar volume of switch dollar grain business will probably not recur in the coming year as such deals were only possible because of differences in export levies according to the destination of the barley. Incomplete returns show other grain exports in the past year included an additional 37,000 tons of barley in the form of malt, 28,000 tons of rye, 17,000 tons of seed grain and 5,000 tons of oats.

This remarkable development has occurred in spite of a 4 per cent decrease in total area under cultivation in Denmark compared with pre-war and, although favourable weather conditions have contributed to high yields, they provide only a partial explanation. More important has been the disappearance of horses in face of increasing mechanization since 1947. All this means a substantial saving in feed grain. An equally important influence has been increased productivity, thanks to much greater use of fertilizers and herbicides since the war and the trend towards improved crop strains and cropping practices.

Import and Export Policy

The Danish Government's role has thus become one of carefully regulating the valves governing the flow of imports and exports of foreign and domestic grains. Part of its policy of last year has been retained and entails the import of cheap wheat and the export of its domestic high-priced grain products, such as seed grains and malting barley. For the rest, it is a matter of striking a delicate balance between the desire

of grain producers for high returns and the need among livestock men for cheap feed grains. To accomplish this, the Government will maintain a strict watch over domestic grain price developments. It retains a measure of control over feed grain imports by requiring the Government Grain Bureau and National Bank to approve imports from dollar areas. In addition, domestic feed grain exports will not be permitted unless the domestic price requires bolstering through draining-off of supplies.

Wheat imports remain the Government's responsibility and this year it has succeeded in having its I.W.A. quota raised from 44,000 to 50,000 m. tons. In the past I.W.A. year, Denmark imported half of its wheat quota from Canada and the remainder from the United States. An additional 12,000 tons was imported from North America but none from other sources. A repetition of this in the 1953-54 season seems unlikely, in view of the trade agreement concluded with Russia in July. This calls for Russian shipments of wheat to Denmark of 50,000 tons, an amount nearly equal to total Danish wheat imports in the past grain season.

Affects Canadian Sales

The outlook for Canadian sales of coarse grains to Denmark appears bleak. It seems unlikely that Denmark will allocate dollars for imports in view of its own large crop and anticipated low prices for non-dollar grains. In the 1952-53 grain year, Denmark imported 55,000 m. tons of barley, virtually all of it from Canada. Only small amounts of oats were imported—largely from Europe and the Middle East.

Some prejudice against Canadian barley was stirred up in Danish agricultural circles in the past year because of exaggerated reports of its wild oats content. Although all Canadian barley shipments to Denmark have been proved to contain considerably less wild oats than statutory grades permit, the feeling still persists that Canadian barley should be excluded.

The Storage Problem

With the coming of the harvest, most farmers will face a storage problem. The majority have little or no grain storage space and will be forced to sell for what they can get after harvesting. Others may return to the prewar practice of stacking their grain for threshing and sale later, in the hope of obtaining higher prices. Those with combine harvesters cannot do this and must face the uncertainty of the post-harvest market which may well be flooded, with disastrous results for producer prices.

It has been suggested that the State or agricultural organizations institute a form of loan against crops stored. This, it is argued, would prevent a rush of grain onto the market and would provide farmers with immediate cash. So far this suggestion has been rejected as impracticable, because neither the State nor the organizations wish to become involved in such operations.

—C. J. Small
Acting Agricultural Secretary for Canada

Norway

The Trend in Fur Sales

The five fur auctions held during the 1952-53 season saw mink sales rise and prices hold firm; buyers showed less interest in foxes.

OSLO—During the 1952-53 season, Oslo held five fur auctions. At the first, from December 5 to 11, 1952, some 21,500 fox skins were offered for sale, of which 11,000 were silver foxes and 9,500 blue foxes. Approximately 24,500 standard minks and 3,200 mutation minks went on the block. According to reports, fox skins are now sold at prices below production costs, and France was, as usual, the only foreign buyer showing any interest in them.

The standard minks at the auction were, on the whole, of good quality and fetched an average price of 87 kroner; the top price for the finest specimens was 165 kroner. Mutation minks, which could have been somewhat brighter in colour, varied in price from 160 to 235 kroner. Some 93 per cent of the standard minks were sold, but only 47 per cent of the mutation minks of various kinds found purchasers.

Second Auction Was Largest

The second auction, which lasted from January 7 to 13, 1953, was the largest and most important of the season and was attended by a large number of foreign buyers from Belgium, the United Kingdom, France, Germany, Italy and the United States. French buyers were still interested in fox skins, but the difficulty of securing import licences strongly affected their purchases. Standard minks sold well and some lots were also sold after the auction, although prices were 10 per cent lower than in December. Mutation minks aroused great interest, and prices were about the same as at the December auction. Following are the offerings and sales (2 per cent commission is included in the prices).

	Offered	Percentage Sold	Average Price	Maximum Price	Average Price January 1952
		(in Norwegian kroner)			
Silver foxes	15,700	29	86	185	128
Blue foxes	10,000	20	74	135	91
Platinum foxes ..	700	7	184	240	171
Standard minks ..	38,400	62	80	155	98
Minks, silver blue	2,625	82	124	200	177
Minks, pastel	4,150	67	140	230	237

The third auction, held from February 19 to 25, was the last important sale of mink during the season and representatives from abroad included Austrian and Spanish buyers. Of silver fox skins, the 90 per cent silvery and darker skins sold quite well at slightly lower prices than in January. Very few lots of the pale skins were sold. As usual, there was little interest in blue foxes; skins of good quality, size and colour were bought at about 72 to 85 kroner, and very good skins at 85 to 87 kroner.

Standard minks sold extremely well. It was interesting to note that the pale and medium pale skins, which received very little attention at the January auction, sold easily. Americans were rather active buyers of both standard and mutation minks. The mutations also sold well; the prices of the better qualities remained unchanged and the poorer skins fetched very firm prices. The table below gives the results of the auction.

	Offered	Percentage Sold	Average Price	Maximum Price
		(in Norwegian	kroner)	
Silver foxes	14,000	40	79	170
Blue foxes	6,500	7-8	...	105
Standard minks	23,000	98	80	147
Minks, silver blue	1,000	65	114	200
Minks, pastel	2,000	95	126	220

Final Sales

Only the second of the season's last two auctions, held in March and April, was of particular interest; no minks were offered at the March auction. Buyers from the United States, England, France, Italy, West Germany, Spain and Egypt who attended the April sale showed practically no interest in fox skins. However, mink skins, both standard and mutation, fetched high prices although they were not of the best quality, and sales were almost 100 per cent. The number of minks offered were: standard, 11,300; silverblues, 953, and pastels, 1,551. Average prices were 96 kroner for standards, 127 kroner for silverblues and 175 kroner for pastels. Maximum prices were 166, 195, and 270 kroner respectively. The next Oslo auction will take place in September and only foxes will be offered.

—J. L. Mutter
Commercial Secretary for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

General Notes

ARGENTINA

Foreign Exchange for Spare Parts—The Argentine Ministry of Finance has announced that the Central Bank of Argentina has agreed to allocate foreign exchange to the value of 40 million pesos to cover imports of spare parts for agricultural machinery already in the country. However, no spare parts of the types already made in the country may be imported. Previously, 50 million pesos had been allocated for imports of raw materials from different sources for the local manufacture of agricultural machinery and implements, and 48 million pesos had been granted for imports of Italian industrial equipment for local agricultural machinery factories—Buenos Aires, July 13.

AUSTRALIA

Wool Sales to U.S. Down—The falling off of American buying of wool (Australia's largest individual dollar earner) this year has seriously affected Australia's dollar trade balance. The U.S. was the second biggest buyer of Australian wool until 1951-52, but in the past nine months has fallen to fifth place. The main reasons for the falling-off in sales to America are that, during World War II and in the immediate postwar years, America stockpiled huge quantities of Australian wool some of which is reaching American woollen mills only now, and that America has produced vast quantities of synthetic fibres for textiles—Sydney, July 10.

Uranium Prospecting—On the recommendation of the Atomic Energy Commission, it has been decided to encourage private prospecting and mining of uranium. The general policy is that conditions of prospecting and mining for uranium should, wherever possible, be similar to those for other metallic minerals.

Discoverers of uranium deposits will receive tax-free rewards at the discretion of the Minister for Supply on the recommendation of the Atomic Energy Commission. A reward of £1,000 will be paid to the discoverer of a deposit which, in the opinion of the Minister, warrants further exploration. A reward will also be paid for discovery of deposits of outstanding economic importance. These rewards may be paid in instalments as the value of the deposit improves—Sydney, July 10.

COLOMBIA

First Fish Cannery—Colombia's first fish cannery, situated in the Pacific port of Buenaventura, is expected to be completed by the end of this year at a cost of five million pesos. The cannery is the property of Industria Colombiana de Pesca (ICOPESCA) operating with all-Colombian capital, and it is expected that several types of fish found in the Pacific coastal waters will be canned on a commercial basis once the plant begins to operate.

Within the last few weeks the company's first fishing boat arrived from Sweden where it was constructed to the specifications of ICOPESCA. The Swedish crew which brought the craft across the Atlantic will remain in Colombia for some years under contract to ICOPESCA, to train Colombian personnel to operate this craft and others which will follow—Bogota, July 19.

DOMINICA

Development Program—The Government of Dominica has begun a $3½ million development program, comprising a stock farm, the construction of a jetty at Roseau, and the building of roads, schools and a hospital. Colonial Development and Welfare has contributed over $2½ million and the remainder will be obtained by loan on the London market—Port of Spain, July 11.

NETHERLANDS

Feed Grains, Oil Cakes Returned to Private Trading—September 1, 1953, has been fixed as the target date for the return to private trading in feed grains and oil cakes in the Netherlands. This will end government control over such imports which has been effective since 1939. This new development is a logical extension of the abolition of feedstuff rationing in April this year. At that time the practice of fixed government selling prices was replaced by a system of fluctuating prices established from week to week under the influence of world market quotations.

Although September 1 has been selected as the expected date for the return to private trading, administrative considerations may dictate another time. The exact date will be made known shortly, along with any additional conditions necessary to regulate future trading in coarse grains and oil cakes—The Hague, July 18.

UNITED STATES

Florida Beef Cattle Industry—Beef cattle in Florida in 1929 numbered 450,000 head. By January 1953 the number had increased to 1,376,000. Between 1940 and 1950 there was a 64 per cent increase, the largest increase in cattle in any state in the country. Although many of the cattle raised in Florida are slaughtered locally, large numbers are shipped to the Southwest for fattening on grass so that the state supplies only about 60 per cent of the beef consumed within its territory. It is estimated that two million acres of improved pasturage are in use in Florida at the present time, and an estimated six million to twelve million are still available—New Orleans, July 25.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, begins a tour of Canada in Quebec City on August 17. His itinerary is:

Quebec City—August 17
Halifax—August 19-20
Saint John—August 21-25
Toronto—August 28-September 5
Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11
Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Montreal—August 31-September 4
Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Montreal—August 10-19
Ottawa—August 20-22
Winnipeg—August 25-26
Vancouver—August 29-September 4

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Montreal—August 17-26
Toronto—August 27-September 4
Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Windsor: Walkerville—August 17
Chatham—August 18
London—August 19
Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Chatham, Brantford, Guelph, Montreal, Quebec, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

United States

Construction Slows Down

WASHINGTON—Real estate business has been slack in the United States during the past six months, and recent statistics indicate that the construction boom of the last three or four years is beginning to slow down. Since 1949 residential construction in the U.S. has rolled up record totals of over one million new dwelling starts each year, compared with the average of about half a million housing starts annually in 1938, 1939 and 1940. Easy credit and home mortgage financing under government-guaranteed GI and FHA loans contributed to the $1\frac{1}{4}$ million new housing starts in 1952.

Construction contracts listed for the first half of 1953 totalled $16 billion, equal to the average annual rate for the same period of 1952 which set a record of $33·5 billion of new construction. However, home building in the first quarter of this year failed to hold its own. Although non-residential contract awards at $2·952 billion for the first six months were 9 per cent higher than in 1952, residential awards at $3·258 billion were down 3 per cent.

The slump in building was most marked in the months of May and June, when the non-residential monthly figures declined 21 and 17 per cent respectively, and residential construction fell 27 and 20 per cent as compared with the figures for these months last year.

Opinions Differ

Although the construction industry and many business analysts expected a moderate downturn for mid-1953 (in line with recent mildly deflationary credit policies), contractors and builders, many of whom put the blame on inadequate money markets, are at odds with money-lending institutions, some of whom contend that home mortgage lending volume so far this year is ahead of 1952.

The majority in the building industry, however, appear to regard the mortgage market as being tight. They complain that the higher return from government and corporate bonds and securities is drawing the banks and loan agencies away from construction.

One result of the slow-down in building is the reduction in contractors' profit margins. A recent engineering survey reports that jobs are attracting three times as many bidders as a year ago, and with the spread on bids becoming so narrow, public contract awards are quite often below government estimates.

Supply Position Improved

These lower bids reflect the greatly increased competition in the construction field and the much improved supply of building materials prices of which have generally followed the progressive decline in the

wholesale price index. The disappearance of materials priorities since the Controlled Materials Plan was abandoned has also been a major factor in this improvement—from the consumer point of view—in prices and supplies.

If, as some builders think, actual needs for new housing settle down to approximately 750,000 units annually in the next few years, the effect of such a 25 per cent decline on the export supply of building materials can readily be foreseen. Offsetting this possibility is the prospect of Presidential action to counter the symptoms of a building slump by invoking present authority to reduce FHA minimum down payment requirements from 10 per cent to 5 per cent on mortgages of $12,000 or less. One major home builders' association recently said that such action is essential to prevent a drop in building during 1954 which could have grave repercussions on the entire economy.

—G. A. Browne
Commercial Secretary for Canada

Trade and Tariff Regulations

CUBA

Embargo on Canadian Livestock and Agricultural Products Lifted—Effective July 21, the Cuban Government has removed the embargo on imports of Canadian livestock and agricultural products such as oats, hay and straw which had been imposed since the outbreak of foot and mouth disease in Canada.

For imports of livestock from Canada, an official certificate will be required from the Health of Animals Division of the Department of Agriculture confirming that the animal is of Canadian birth and has remained in Canada until date of shipment to Cuba. This certificate must be legalized by the Cuban Consul in the Canadian city nearest to the port of shipment.

PARAGUAY

Documentation Regulations—According to a Paraguayan resolution published July 14, customs clearance of import shipments will not be authorized unless the import documents express separately, in each and every case, the f.o.b. and the c.i.f. value of the goods. The individual shipping and handling charges such as maritime, river, rail or air freight, insurance and all other expenses involved in the shipment must also be indicated.

As far as Canadian exporters are concerned, their responsibility will be to indicate on all relevant documents the f.o.b. and c.i.f. value of the goods, plus all other individual charges involved in getting the goods to the transhipping point. From this point, the onus falls on the Paraguayan importer.

SOUTHERN RHODESIA

Import Controls Relaxed—Relaxation of import controls on a wide range of goods from dollar and other non-sterling countries was announced by the Southern Rhodesia Minister of Trade and Industrial Development on July 21. The goods are, in general, of a type not available from the sterling area.

Instead of being imported under quota as previously, licences will now be automatically granted for certain goods—including unmanufactured timber, fertilizers, vehicle spares, certain types of paper, various chemicals and pigments, acids, gases, dyes, waxes and oils, yarns, certain textiles for furniture manufacture, and plate and sheet glass.

Commercial vehicles, previously on the prohibited list, have been given an exchange allocation for the current half-year of £200,000.

Other goods previously prohibited and now given substantial allocations are condensed milk, pressure lamps and stoves, mosquito gauze, and bitumen roofing materials.

The allocation for tools from non-sterling sources during the current half-year has been increased to £20,000—i.e., from £15,000 in the first half of 1953. The allocations remain at the same level as in the January-June period for agricultural machinery and spares (£295,000) and mining and industrial machinery (£237,500). The allocation for steel has been reduced from £50,000 to £37,000.

More detailed information will be available when the text of the official announcement is received and may be obtained on request from the International Trade Relations Branch, Department of Trade and Commerce.

UNITED STATES

Tariff Classification of Brass Pinion Rods—The United States Bureau of Customs issued the following notice in U.S. *Federal Register* of July 28, 1953:

"It appears probable that brass pinion rods are properly classifiable as articles or wares not specially provided for, composed wholly or in chief value of brass, under paragraph 397, Tariff Act of 1930, at a rate of duty higher than that heretofore assessed under an established and uniform practice.

"Pursuant to section 16.10a (d), *Customs Regulations of 1943*, as amended (19 CFR 16.10a (d), notice is hereby given that the existing uniform practice of classifying such merchandise as brass rods under paragraph 381, Tariff Act of 1930, is under review in the Bureau of Customs.

"Consideration will be given to any relevant data, views, or arguments pertaining to the correct classification of this merchandise which are submitted to the Bureau of Customs, Washington 25, D.C., in writing. To assure consideration, such communications must be received in the Bureau not later than 30 days from the date of publication of this notice in the *Federal Register*. No hearings will be held."

Under U.S. Tariff paragraph 381, the duty on brass rods is 2¢ per lb. Under U.S. Tariff paragraph 397, the duty on such articles would become 22½ per cent ad valorem.

Foreign Commercial Representatives in Canada

ARGENTINA
Ottawa—Economic Attache, Embassy of Argentina, 193 Sparks Street.
Montreal—Consul General of Argentina, 1111 Beaver Hall Hill.

AUSTRALIA
Montreal—Australian Government Trade Commissioner, 1255 Phillips Square.
Vancouver—Australian Government Trade Commissioner, 643 Hornby Street.

AUSTRIA
Ottawa—Charge d'Affaires a.i., Legation of Austria, 136 Queen Street.
Montreal—Austrian Trade Delegate, 1507 Crescent Street.

BELGIUM
Montreal—Consul General of Belgium, 709 Sun Life Building.

BOLIVIA
Montreal—Consul General of Bolivia, 5612 Canterbury Avenue.

BRAZIL
Montreal—Commercial Attache, Brazilian Government Trade Bureau, Room 302, 400 St. James Street West.

BRITISH GUIANA
Montreal—Trade Commissioner for British Guiana, 37 Board of Trade Bldg.

BRITISH WEST INDIES and THE BAHAMAS
Montreal—Trade Commissioner for the British West Indies and The Bahamas, 37 Board of Trade Bldg.

CHILE
Montreal—Consul General of Chile, 1410 Stanley Street.

CHINA
Ottawa—Commercial Attache, Embassy of the Republic of China, 201 Wurtemburg St.
Vancouver—Consul General of China, 510 Hastings Street West.

COLOMBIA
Montreal—Consul General of Colombia, 3757 Wilson Avenue, Notre Dame de Grace.
Vancouver—Consul of Colombia, 550 Beatty Street.

COSTA RICA
Montreal—Consul General of Costa Rica, 434 Elm Avenue, Westmount.

CUBA
Ottawa—Commercial Attache, Embassy of Cuba, 400 Holland Ave.

CZECHOSLOVAKIA
Montreal—Commercial Attache of Czechoslovakia, 1255 Phillips Sq.

DENMARK
Ottawa—Commercial Counsellor, Royal Danish Legation, 451 Daly Ave.
Montreal—Consul, Royal Danish Consulate, Room 815, Keefer Building, 1440 St. Catherine Street West.

DOMINICAN REPUBLIC
Ottawa—Consul General of the Dominican Republic, 105 Cameron Avenue.
Montreal—Consul General of the Dominican Republic, Apt. 4, 3201 Forest Hill Ave.

ECUADOR
Montreal—Consul General of Ecuador, 59 Belvedere Road, Westmount.

EGYPT
Ottawa—Consul, Royal Egyptian Consulate General, Room 616, Chateau Laurier.

EL SALVADOR
Montreal—Consul General of El Salvador, Apt. 14, 1452 Bishop Street.

FINLAND
Ottawa—Second Secretary, Legation of Finland, 140 Wellington Street.

FRANCE
Ottawa—Commercial Attache, Embassy of France, 464 Wilbrod Street.
Montreal—Commercial Attache of France, 610 St. James St. West.
Toronto—Commercial Attache of France, 185 Bay Street.

GERMANY
Ottawa—First Secretary (Commercial Affairs), Embassy of the Federal Republic of Germany, 580 Chapel Street.
Montreal—Consul of the Federal Republic of Germany, 1529 McGregor Street.

GREECE
Ottawa—Commercial Attache, Royal Greek Embassy, Suite 110, Chateau Laurier.

GUATEMALA
Montreal—Consul General of Guatemala, 401 Metcalfe Ave., Westmount.

HAITI
Montreal—Consul of Haiti, 1405 Bishop Street.

HONDURAS
Montreal—Consul General of Honduras, Suite 2, 1448 Sherbrooke Street West.

INDIA
Ottawa—Second Secretary, Office of High Commissioner for India, 200 MacLaren St.

IRELAND
Ottawa—Secretary, Embassy of Ireland, 140 Wellington Street.

ISRAEL
Montreal—Consul General of Israel, Bank of Montreal Bldg., 1260 University Street.

ITALY
Ottawa—Commercial Attache, Embassy of Italy, 133 Sparks Street.

JAPAN
Ottawa—First Secretary (Commercial), Embassy of Japan, Room 701, Metcalfe Bldg.
Vancouver—Japanese Consulate, 510 Hastings Street West.

LEBANON
Ottawa—Consul General of Lebanon, 199 Wurtemburg Street.
LUXEMBOURG
Montreal—Consul General of Luxembourg, 4832 Western Avenue.
MEXICO
Montreal—Consul General of Mexico, Room 506, Castle Bldg.
MONACO
Montreal—Consul of Monaco, 5 St. James Street East.
NETHERLANDS
Ottawa—Commercial Counsellor, Embassy of the Netherlands, 168 Laurier Ave. East.
NEW ZEALAND
Montreal—New Zealand Trade Commissioner, Room 609, Sun Life Building.
NORWAY
Ottawa—Secretary, Norwegian Legation, 140 Wellington Street.
Montreal—Vice-Consul of Norway, 1410 Stanley Street.
PAKISTAN
Ottawa—Commercial Attache to the Pakistan High Commissioner, 499 Wilbrod St.
PERU
Ottawa—Secretary, Embassy of Peru, 539 Island Park Drive.
POLAND
Ottawa—Acting Commercial Attache of the Polish Legation, 183 Carling Ave.
PORTUGAL
Montreal—Consul General of Portugal, 1499 Bishop Street.
SPAIN
Montreal—Consul of Spain, Commercial Office, 451 Mount Pleasant Ave.
SWEDEN
Ottawa—Attache, Royal Legation of Sweden, 720 Manor Road, Rockcliffe Park.
Montreal—Commercial Secretary, Royal Consulate General of Sweden, 1511 Bishop St.
SWITZERLAND
Ottawa—Secretary, Swiss Legation, 5 Marlborough Avenue.
Montreal—Consul General of Switzerland, 1572 McGregor Street.
Toronto—Consul of Switzerland, 159 Bay Street.
Vancouver—Acting Consul of Switzerland, 402 West Pender Street.
Winnipeg—Acting Consul of Switzerland, 210 Mitchell-Copp Bldg., 334 Portage Avenue.
THAILAND
Toronto—Consul of Thailand, 200 Bay Street.
Vancouver—Consul of Thailand, 5416 Marguerite Street.
TURKEY
Ottawa—Turkish Embassy, Room 612, Chateau Laurier.
UNION OF SOUTH AFRICA
Ottawa—Commercial Secretary, Office of the High Commissioner for the Union of South Africa, 15 Sussex Street.
UNION OF SOVIET SOCIALIST REPUBLICS
Ottawa—Representative of the Commercial Counsellor, Embassy of the USSR, 285 Charlotte Street.
UNITED KINGDOM
Ottawa—United Kingdom Senior Trade Commissioner and Economic Adviser to the High Commissioner, 56 Sparks Street.
Edmonton—United Kingdom Trade Commissioner for Alberta, 10053 Jasper Avenue.
Montreal—United Kingdom Trade Commissioner for Quebec, United Kingdom Trade Commissioner for the Maritimes and Newfoundland, 1111 Beaver Hall Hill.
Toronto—United Kingdom Trade Commissioner for Ontario, 67 Yonge St.
Vancouver—United Kingdom Trade Commissioner for British Columbia, 850 West Hastings Street.
Winnipeg—United Kingdom Trade Commissioner for Manitoba and Saskatchewan, 403 Royal Bank Building.
UNITED STATES
Ottawa—Commercial Attache, Embassy of the United States, 100 Wellington St.
Calgary—Vice-Consul of the United States, Toronto General Trusts Bldg.
Edmonton—Consul of the United States, 214 Empire Block.
Halifax—Consul General of the United States, Bank of Nova Scotia Bldg.
Hamilton—Consul of the United States, 42 James Street South.
Montreal—Consul General of the United States, 1410 Stanley Street.
Niagara Falls—Consul of the United States, Newman Hill, Falls Street.
Quebec—Consul of the United States, 65 St. Ann Street.
Regina—Consul of the United States, 22-23 Government Insurance Bldg.
Saint John—Consul of the United States, 204 Union Street.
St. John's—Consul General of the United States, Commercial Chambers Bldg., 197-199 Water Street.
Toronto—Consul General of the United States, 302 Bay Street.
Vancouver—Consul General of the United States, 355 Burrard Street.
Victoria—Consul of the United States, 805 Government Street.
Windsor—Consul of the United States, Guaranty Trust Bldg.
Winnipeg—Consul General of the United States, 402 Tribune Bldg.
URUGUAY
Ottawa—Charge d'Affaires a.i., Legation of Uruguay, 36 Marlborough Avenue.
VENEZUELA
Montreal—Consul General of Venezuela, 2052 St. Catherine Street West.
YUGOSLAVIA
Ottawa—Embassy of the Federal People's Republic of Yugoslavia, 17 Blackburn Avenue.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·00914.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. July 30*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1321	
		Basic buying	·1982	
		Preferential selling	·1982	(1)
		Basic selling	·1321	
		Free	·07133	
Austria	Schilling		·03811	
Australia	Pound		2·2320	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01984	
Bolivia	Boliviano	Official	·00521	
British West Indies	Dollar		·5812	(3)
	Pound		2·7900	(4)
	Dollar	Brit. Honduras	·6975	
Brazil	Cruzeiro	Official	·05356	tax 8%
		Free	·02311	(2)
Burma	Kyat		·2092	
Ceylon	Rupee		·2092	
Chile	Peso	Official	·00901	(1)
Colombia	Peso	Basic	·3964	tax 3% (2)
Costa Rica	Colon	Official	·1765	(5)
		Controlled Free	·1492	*
Cuba	Peso		·9909	tax 2%
Czechoslovakia	Koruna		·1376	
Denmark	Krone		·1435	
Dominican Republic	Peso		·9909	
Ecuador	Sucre	Official	·06607	(6)
		Free	·05702	
Egypt	Pound		2·8455	
Fiji	Pound		2·5135	
Finland	Markka		·00431	
France	Franc		·00283	
French Africa	Franc		·00566	
French Pacific	Franc		·01557	
Germany	D Mark		·2359	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9909	
Haiti	Gourde		·1982	
Honduras	Lempira		·4955	
Hong Kong	Dollar	Free	·1653	*July 24
Iceland	Krona	Official	·06085	
		Special buying	·04685	
		Special selling	·03775	
India	Rupee		·2092	
Indonesia	Rupiah	Basic	·08692	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. July 30	Notes (See below)
Iran	Rial	Certificate I	·00802	*June 25
		Certificate II	·00790	*June 25
Iraq	Dinar		2·7746	
Ireland	Pound		2·7900	
Israel	Pound	Basic	2·7746	
		Special	1·3873	
		Investment	·9909	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·2951	
Mexico	Peso		·1146	
Netherlands	Guilder		·2608	
Netherlands Antilles	Guilder		·5255	
New Zealand	Pound		2·7900	
Nicaragua	Cordoba	Effective buying	·1501	(8)
		Official selling	·1405	
		With Surcharge I	·1231	
		With Surcharge II	·09860	
Norway	Krone		·1387	
Pakistan	Rupee		·2995	
Panama	Balboa		·9909	
Paraguay	Guarani	Basic	·06607	(1)
		With Surcharge I	·04718	(9)
		With Surcharge II	·03303	
Peru	Sol	Certificate	·06098	
Philippines	Peso		·4955	tax 17% (2)
Portugal	Escudo		·03459	
El Salvador	Colon		·3964	
Singapore & Malaya	Straits dollar		·3255	
South Africa (Union of)	Pound		2·7900	
Spain & Dependencies	Peseta	Basic buying	·04525	
		Basic selling	·08831	
		Basic commercial selling.	·06033	(1)
		Free	·02515	
Sweden	Krona		·1916	
Switzerland	Franc		·2313	
Syria	Pound	Free	·2767	*June 15
Thailand	Baht	Official	·07927	(1)
		Free	·05506	*May 29
Turkey	Lira		·3539	
United Kingdom	Pound		2·7900	
United States	Dollar		·9909	
Uruguay	Peso	Official	·6524	
		Basic buying	·5567	
		Special buying	·4216	(1)
		Basic selling	·5215	
		Special selling	·4044	
Venezuela	Bolivar		·2958	(10)
Yugoslavia	Dinar		·00330	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

"I'm counting ice cubes . . .

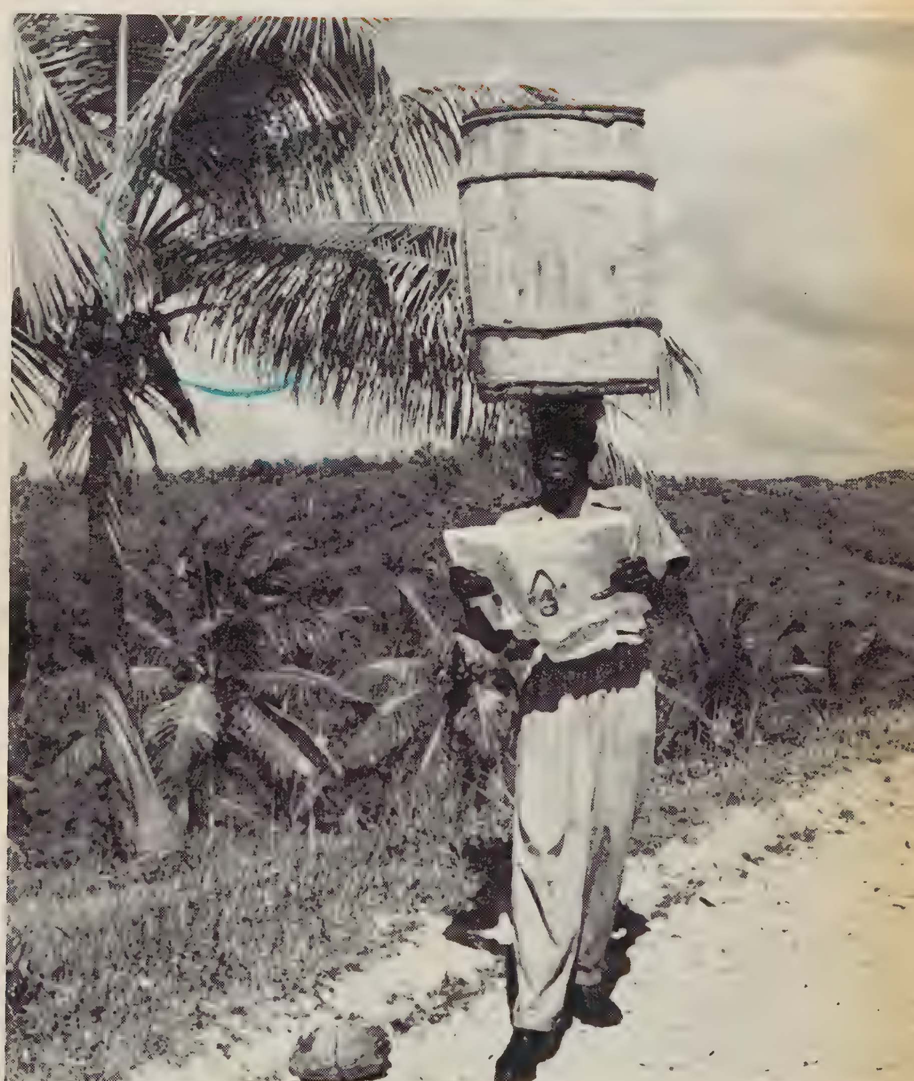
. . . I work in a refrigerator factory . . . it's cool counting ice cubes" Keep repeating that, said French psychotherapeutist Emile Coué, and before long you actually will feel cool. It's worth trying anyway.

What about --- "*I'm a big success . . . customers are clamouring for my product . . . the orders are rolling in*"? That, unfortunately, is where Couéism breaks down.

We all know it takes more than mental gymnastics to produce the eager customers and the big orders. It takes hard work applied in the right direction. Try Coué to beat the heat, but if you're looking for that sense of business direction, try reading *FOREIGN TRADE.*

foreign trade

AUGUST 15, 1953



The Changing Jamaican Market (page 2)

The Changing Jamaican Market

Where has Canada's trade with Jamaica slipped and where has it gained ground? This careful analysis points up trends and should prove useful to the Canadian exporter.

KINGSTON—Despite Jamaica's shortage of dollars since 1947, total imports and exports have expanded considerably. In 1938, imports into Jamaica (c.i.f.) totalled £6·4 million. This figure fluctuated during the war, but imports have risen consistently since 1945. Preliminary figures for 1952 show imports into Jamaica valued at £35·3 million.

Exports have followed somewhat the same pattern. Prewar (1938) they totalled about £4·9 million, f.o.b. During the war they fell off slightly; by 1946, they had begun to recover and reached £8·5 million. Preliminary statistics for 1952 give the value of exports as £17·3 million.

Three Main Suppliers

Most of Jamaica's trade is carried on with three countries—the United Kingdom, Canada, and the United States. Trade with other individual countries, by comparison, is relatively small. The table below gives the percentage of total trade with the three leading countries:

	Imports £ value c.i.f.	%	Exports £ value f.o.b.	%
1938				
Total	6,485,221	100	4,925,910	100·0
United Kingdom	2,108,639	33·5	2,913,853	59·2
Canada	1,014,267	16·1	1,309,213	26·6
United States	1,359,143	21·6	180,327	3·7
1945				
Total	9,596,000	100	4,786,000	100·0
United Kingdom	1,326,000	13·8	2,210,000	46·2
Canada	3,943,000	41·1	1,663,000	34·7
United States	2,887,000	30·1	522,000	10·9
1947				
Total	18,943,000	100	9,939,000	100·0
United Kingdom	3,796,000	20	7,873,000	79·2
Canada	5,410,000	28·5	1,254,000	12·6
United States	6,378,000	33·7	275,000	2·8
1951				
Total	30,692,967	100	16,695,846	100·0
United Kingdom	12,682,494	41·3	10,163,753	60·8
Canada	3,561,512	11·2	3,872,355	23·1
United States	6,122,407	19·9	946,760	5·6
1952 (Preliminary)				
Total	35,314,000	100	17,268,000	100·0
United Kingdom	14,669,000	41·5	11,827,000	68·4
Canada	4,283,000	12·1	2,548,000	14·7
United States	7,588,000	22·2	1,371,000	7·9

These statistics reveal that the pattern of trade has varied considerably. Imports from Canada reached their highest value in 1947, although the highest percentage was attained in 1945. Similarly, imports from the United States reached their highest point in value and percentage in 1947. Thereafter imports from these countries declined, but showed some improvement again in 1951. That trend continued into 1952. Meantime, the United Kingdom maintained her position fairly well until the wartime slump in 1944. Thereafter imports from the United Kingdom increased steadily to first place in 1948, the highest percentage in 1949, and the highest value in 1951. This latter was surpassed in 1952.

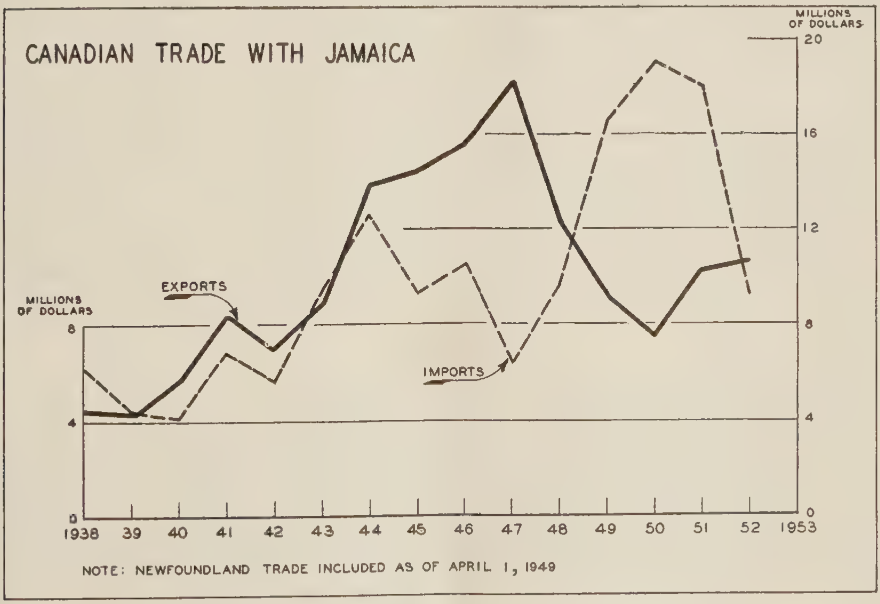
Canada's Position

The following table shows Canadian trade with Jamaica in 1938 and 1951, as given in Jamaican trade statistics and converted into Canadian dollars:

	Jamaican imports from Canada	%	Jamaican exports to Canada	%
1938	$ 4,929,337	16·1	$ 6,362,775	26·58
1951	10,542,075	11·2	11,462,170	23·1

Since in 1951 prices were roughly twice as high as in 1938, the increase in Jamaican imports from Canada represents little or no increase in volume. It is notable that Canada now has a smaller proportion of the market than in 1938.

During the war and for some time after, Canada enjoyed an enviable position. Jamaican purchases were directed towards this country and this accounted for several good years. With the sterling crisis and the imposition of restrictions against hard currency purchases, that trade quickly dwindled to so-called essentials not obtainable from a soft currency source. (If hard currency is available, it is simply a matter of price.)



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The B.W.I. Trade Liberalization Plan was responsible for some improvement in 1951 and in 1952. Under this arrangement, import licences for certain Canadian goods which would otherwise be unavailable because of exchange controls are issued on a quota basis. The amount spent by Jamaica on Canadian goods in 1952 under the Plan was something short of $2 million.

Canada took a variety of products from Jamaica in 1938; in 1951, Jamaica's exports to Canada consisted largely of sugar. Bananas, coconuts and citrus fruits were once important exports to Canada; today the United Kingdom is the chief buyer of Jamaica's exportable surpluses of these products. The decline in Jamaican exports to Canada in 1952 is due to much smaller shipments of sugar at lower prices.

Trade in Agricultural Products

A study of the products which Jamaica bought from Canada in 1938 and in 1951 points up how the trade has changed. Listed below are the main agricultural products the sales of which have increased:

Product	1938		1951	
	Quantity	Value (c.i.f.)	Quantity	Value (c.i.f.)
	Lb.	£	Lb.	£
Bran Middlings	229,560	880	350,000	5,056
Oats	826,777	3,319	911,362	15,557
Wheat	662,405	3,667	1,599,498	29,097
Flour (196 lb. bags)	228,750	262,726	376,099	1,379,606
Fresh Meat	41,816	2,361	45,154	12,886
Ham	17,154	866	74,120	18,062
Other Animal Foods	204,897	1,084	2,847,054	55,685
Leaf Tobacco	99,284	4,645	970,122	226,442
Potatoes	1,167,416	4,396	2,160,510	27,610

Market Shrinking

Back in 1938, Canada also sold considerable quantities of butter and cheese to Jamaica, but since the sterling crisis, dollar expenditures on these products have been negligible. Dollar imports of apples are confined to those coming in under the Trade Liberalization Plan, and imports from Canada were valued at only £914 in 1951. Cornmeal, once purchased from Canada, is today bought almost entirely from the United States. The U.S. also competes with Canada for the flour market, supplying 344,845 pounds in 1951 compared with Canada's 376,099 pounds. Bacon comes into Jamaica today almost entirely from soft currency countries. The local condensary can now supply Jamaica's needs for sweetened condensed milk, a product bought from Holland in 1951. By 1954, evaporated milk will also come from domestic sources. The island today buys seed potatoes from Canada and table stock only when the local crop runs short. In 1952 the entire business went to Scotland.

Market for Fish

The market for Canadian fisheries products in Jamaica has held up fairly well because they are looked upon as essential. Sales of canned fish from Canada increased from 455 thousand pounds in 1948 to 1·2 million pounds in 1951; pickled herring sales rose more spectacularly—from 368 thousand pounds in 1938 to 1·7 million pounds in 1951. The sales of other products have dropped, as the following figures show:

Product	1938		1951	
	Quantity Lb.	Value £	Quantity Lb.	Value £
Pickled alewives	2,078,800	12,275	419,600	10,998
Codfish	2,395,871	25,903	333,760	16,579
Pickled mackerel	6,978,450	50,303	4,737,050	165,014

The increase in the price of codfish largely accounts for the fall in consumption and, for the same reason, herring has replaced mackerel to some extent. Local fresh fish is expensive.

Wood Products

Some 2·9 million FBM of Canadian Douglas fir, pitch pine and white pine, valued at £28,089, went to Jamaican buyers in 1938. By 1951, this business had been drastically reduced because of a dollar-saving policy, with the Central American countries moving in as the principal suppliers. There is an allocation for lumber from Canada under the Trade Liberalization Plan, and Jamaica used this almost entirely for red cedar shingles; Canada sold 10·8 million of these shingles to Jamaica in 1951, valued at £129,976; in effect, she supplied almost the entire Jamaican demand. Canadian manufacturers also sold Jamaica £62,904 worth of wooden containers in 1951, compared with the £208,343 worth sold by U.S. companies. Canada was the leading 1951 supplier of printing paper, four million pounds worth £137,854, compared with shipments worth £23,787 in 1938. Sales of wrapping paper (mainly newsprint in sheets), also rose to £20,794, compared with only £22 in 1938.

Despite this apparent improvement, it remains true that, except for long-term newsprint contracts, the entire paper products business is directed to soft currency suppliers. Canada receives most of the orders possible under the Trade Liberalization Plan.

Other Purchases from Canada

The heading "other purchases" contains some rather depressing items. Canada sold no hosiery to Jamaica in 1951 though in 1938 she found a market there for 211,637 pairs. (In 1952, however, Canadian manufacturers made token shipments under the plan.) Similarly, the market for boots and shoes has become negligible, and that for Canadian sewing machines has practically vanished. Domestic sewing machines come from Scotland and the United States supplies the industrial types. Fancy soaps once sold in larger quantities, but local production has reduced imports and Canada's sales to Jamaica in 1951 totalled only 235 pounds. Sales of screws, nails and rivets have also dropped.

The Brighter Side

On the brighter side are sales of jute bags, which have expanded from £243 in 1938 to £59,849 in 1951, and of medicines and drugs, which rose from £11,988 in 1938 to £38,781 in 1951. The market for painters' colours and materials held firm, thanks to the Trade Plan. However, at least one and possibly two paint factories will soon be built in Jamaica and this market may be reduced.

Canadian manufacturers in 1938 sold 481 cars, 253 trucks and 20,742 motor tires to Jamaica. Imports of cars and trucks from North America

are now prohibited and tires come entirely from sterling countries. Parts to maintain old models in operation come in under a dollar quota; these represented £35,627 worth of business for Canada in 1951.

The Broad Picture

To sum up, bearing in mind the increase in population and the rise in the standard of living in Jamaica, the increase in trade with Canada is not impressive. Only in other animal foods, canned fish, hams, leaf tobacco, printing and wrapping paper, and jute bags can Canada's position be said to have improved materially in relation to total imports. Latterly, the United States has again forged ahead of Canada as the second supplier, a position which she occupied before the war.

A considerable amount of Jamaican trade comment on the question of dollar restrictions is available. The general view is that Canadian exports to Jamaica would increase considerably if import restrictions could be lifted. This view is expressed with reservations and qualifications in many quarters: not all Canadian goods would benefit greatly from the removal of restrictions. The preferential tariff would favour Canadian goods against U.S. goods, while consumers prefer many Canadian goods to British goods. Prices, prompt delivery, exact specifications and careful service are factors mentioned in the trade comment. Canadian firms must be able to meet keen American and British competition in these respects.

If restrictions on imports were lifted, preferential tariff rates are retained and exchange rates do not become more unfavourable, there is potentially a $25 million market in Jamaica for Canada, if our manufacturers can compete successfully with the United States and recapture one-eighth of the business now enjoyed by the sterling area.

—M. B. PALMER
Canadian Government Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Credit Conditions in the Commonwealth

Since our last report on credit experience in this area, April 11, 1953, exports have risen and the balance of payments improved, except for three of the territories reviewed.

OTTAWA—The dollar exchange position of the sterling area continued to improve each month throughout the first half of 1953. This trend indicates better experience on trade account and in the overall balance of payments for Commonwealth countries generally. Import restrictions played their part but exports have also improved, particularly to dollar and European areas.

The easing of import restrictions by Australia, New Zealand, India, and to some extent the U.K. itself reflects the stronger position. Transfer delays have never been a problem for Canadian exporters to Commonwealth countries, but the favourable trend of gold and dollar holdings gives even greater assurance of continuity of trade and promptness of dollar remittances. Despite the improvement, the dollar problem is certainly not a thing of the past for the sterling area. Unfortunately the hour of convertibility is not quite at hand and trade and exchange limitations on imports from Canada will persist in the immediate future.

Areas of Difficulty

Not all countries and territories have shared in this general recovery. The weakness that has developed in most primary commodity markets has seriously and adversely affected the trade and income of some of the less developed members of the Commonwealth.

- Malaya suffers most acutely because her economy and export trade are identified with the two commodities in which the price reversal has been most marked and for which the outlook is least promising—tin and rubber.

- Ceylon's favourable trade balance and strong dollar earning position have disappeared because of the softening of the rubber market.

- Pakistan's earnings have fallen sharply, reflecting difficulties in marketing cotton and lower jute prices—and cotton and jute are her economic mainstays. A poor wheat crop has forced imports rather than the normal exports.

The terms of trade have turned against these three, bringing the unaccustomed problem of a trade deficit. They have adopted more restrictive import control measures as a short-term corrective. Probably more disturbing to the foreign supplier than the weaker exchange position of these sterling area members is their internal economic weakness, with consequent credit uncertainty.

76492—3

Domestic business conditions in most countries reflect the degree of prosperity or difficulty of external trade. This is peculiarly true of many members of the Commonwealth because they depend so much on export markets and on imported materials. For this reason, the internal business situation has gained strength to various degrees in all but the areas of difficulty.

Financial Stability Greater

Fortifying this strength derived from high export trade and the resulting economic activity was the stronger monetary position of the principal countries. The notably successful Commonwealth effort at self-help entailed not only concerted measures to improve the balance of payments of the sterling area, but also individual effort to establish a sounder basis of internal financial stability. A fair degree of success has been achieved in the domestic monetary field.

Reasonable prosperity that is not built on the false base of inflationary policies makes for reassuring credit conditions. Now that the fires of inflation have been dampened, banks have been able to relax some of the more limiting restraints on money and credit supply. These easier conditions contribute to the stronger credit standing of buyers in these countries.

Collection Experience

The Export Credits Insurance Corporation, whose experience on collections throughout the world is very extensive, reports that experience in the British Commonwealth continues to be particularly favourable. Delayed remittances reported for British West Indies, Ceylon, India and the Union of South Africa amount to only a minor percentage of the total volume of accounts sent for collection.

Summary of Conditions

The table below summarizes existing conditions and any changes for individual countries in the Commonwealth.

	Changes during first half 1953 in:	
COUNTRY	TRADE BALANCE	BUSINESS CONDITIONS
Australia	Improved	Improved
British West Indies	Improved	Somewhat better
Ceylon	Weaker	More difficult
East Africa	Little change	Little change
Hong Kong	Slight gain	More uncertain
India	Improved	Improved
Malaya	Weaker	More difficult
New Zealand	Improved	Improved
Pakistan	Weaker	More difficult
Rhodesia	Improved	Less active
Union of South Africa	Improved	Stabilizing
United Kingdom	Improved	More satisfactory
West Africa	Little change	Somewhat slower

Transportation Notes

AUSTRALIA

Airline Merger—Merger of the three Pacific airline companies of BCPA, QANTAS and TEAL is being negotiated. The British, Australian and New Zealand Governments are the shareholders in BCPA and TEAL; the Australian Government owns QANTAS. All three companies are operating in the Pacific, using different types of equipment. The proposed merger will enable equipment and workshops to be standardized and will end uneconomic competition. The British Government recently notified the Australian and New Zealand Governments that it was willing to relinquish its holdings in BCPA and TEAL—Sydney, July 20.

BRAZIL

Exchange for Freight Payments—Instruction No. 14 of the Banking Control Authority lays down new regulations for the granting of exchange cover for freights. These regulations are:

- For imports licensed on a c.i.f. or c. and f. basis, freight must be paid abroad by the foreign exporter and included in the invoices of the merchandise. Exchange will be granted for the total value in the currency stipulated for payment of the merchandise.

- Letters of credit covering imports on the above basis must specify that the freight will be paid beforehand by the exporter and included in the invoice. It may not be paid to agents or shipping lines in Brazil.

- In the case of shipments f.o.b. foreign port, freight payable in cruzeiros, in Brazil, may not be paid beforehand but only upon presentation of the shipping documents in which the value of the freight must be shown.

For exports on a c.i.f. or c. and f. basis, freight may only be paid in cruzeiros, in Brazil, if the corresponding value in foreign currency is included in the invoice—Rio de Janeiro, July 11.

GOLD COAST

Railway Contract Awarded—The Gold Coast Government has announced the awarding of a $10 million contract to a British firm for the construction of a 50-mile railway link between Achiasi and Kotoku. This link will reduce the rail haul from Takoradi to Accra and nearby Tema Harbour by 165 miles. Tema Harbour is to be the

76492—3½

terminal for the Volta aluminum project and the shorter rail haul will speed up delivery of equipment and material for extending the harbour that must be imported via Takoradi—London, July 27.

PERU

Callao Surcharge Removed—The 25 per cent congestion surcharge imposed by the European, South Pacific and Magellan Conference on cargo from European ports entering the port of Callao was lifted on June 15. Cancellation of the surcharge, adopted more than two years ago, is a direct reflection of the effective changes already made by the Port of Callao Authority to remedy the congestion. One million dollars has been spent on new equipment to carry out modernization and streamlining of port facilities. When the full program has been completed, Callao is expected to be one of the best equipped and managed ports in South America—Lima, July 15.

UNITED STATES

Great Lakes-Cuba Service—The Cuban-American Line is establishing a direct, all-water shipping service between Detroit and Havana, Cuba. Initiating the service from the Great Lakes in July was the *M. V. Monsun,* with the *M.V. Lissy Schulte* following around August 15. By the end of August, the new Great Lakes-Havana service will probably be providing a weekly sailing from Detroit. About twelve days will normally be required for the Detroit-Havana run. The capacity of the *Monsun* is 1,750 tons, with 80,000 cu. ft. of cargo space. The *Lissy Schulte* will be capable of handling 1,500 tons, with 86,000 cu. ft. of cargo space. Both vessels have facilities for transporting semi-perishables.

Although a Canadian agent has not been appointed, the Cuban-American line plans to establish an office at Montreal and may add an office in Toronto. The Line is prepared to load cargo at any Great Lake port between Detroit and the Gulf of the St. Lawrence.

VENEZUELA

Withdraws from Flota Grancolombiana—The Governments of Colombia, Venezuela and Ecuador issued a joint announcement on July 24th that Venezuela would be withdrawing from its participation in the Flota Mercante Grancolombiana. This steamship service, established in 1947 with a capital of 35 million Colombian pesos, had had its head office in Bogota and the three republics were represented in the following proportions: Colombia 45 per cent, Venezuela 45 per cent, and Ecuador 10 per cent.

Under the dissolution arrangements, Venezuela will receive seven ships aggregating 33,390 tons. With them, she will form a purely Venezuelan line operating a service between Canada, the United States and Venezuela. Colombia and Ecuador, with the remaining 12 units totalling 61,000 tons, will continue to operate the Flota Mercante Grancolombiana and provide a service between their countries and Canada and the United States, but they will not compete for the Venezuelan traffic. Dissolution proceedings will be effected in the next two months and all three governments have stressed that Venezuela's withdrawal is being made in an atmosphere of harmony and friendliness—Bogota, July 27.

Promoting British-Canadian Trade

. . . a useful review of some of the agencies, both official and sponsored by private business, which are working to expand our trade with the United Kingdom.

OTTAWA—The problem of establishing a better balance in the trade between the United Kingdom and Canada is of serious concern to the governments and the businessmen of both countries. Before the Second World War, when most of the world's currencies were freely convertible, the sterling area had no special difficulty in earning the gold and dollars it needed to pay for its imports from the dollar area. Since the war, the general dollar shortage and the restrictions on currencies and trade have disrupted the old multilateral pattern of world trade and payments. As a result, the sterling area has found it difficult to acquire the necessary dollars to pay for its imports from Canada and other dollar countries.

It is in the interests of both Canada and the United Kingdom that Britain's dollar earnings from sales of its goods to Canada should be increased. Greater sales will mean that the U.K. can ease the postwar trade restrictions necessary to ensure that her purchases of Canadian goods do not exceed the dollars she can earn to pay for them.

Many people do not know that both private business organizations and government agencies are working to solve this problem, nor are they aware of the services available to the exporter and importer. Consequently a brief outline of some of the major groups working in this field may prove useful.

• The Trade Commissioner Services

Perhaps the best known services are those provided by the trade commissioners of each country. The United Kingdom and Canada each maintain trade officers at strategic points in the respective countries. Both services are ready and anxious to promote imports as well as exports.

The Canadian trade commissioners in the United Kingdom have a wide knowledge of available Canadian goods as well as of United Kingdom possibilities. These men promote two-way trade and can assist the Canadian businessman in deciding whether his product can be sold in the United Kingdom and in finding British products he may require for use in Canada. Much of this information is handled through the Department of Trade and Commerce in Ottawa, which can give advice on export and import market opportunities. The same services are available to the British exporter and importer. Businessmen in both countries can obtain comparable services from the Board of Trade in the United Kingdom and from the United Kingdom trade commissioners posted in Ottawa, Montreal, Toronto, Winnipeg, Edmonton and Vancouver.

• The Import Division

The Import Division of the Department of Trade and Commerce in Ottawa was established primarily to help Canadian importers develop their overseas connections, to assist exporters in other countries in finding markets in Canada, and to obtain recognition abroad for Canada as a customer. In doing so, it is servicing Canadian importers—whether they be manufacturers, brokers, wholesalers, retailers or agents. All non-dollar countries particularly are encouraged to earn dollars by selling their products to Canada. A major effort has been made to assist United Kingdom manufacturers, especially those in heavy industry, in their approaches to the Canadian market.

The Division has at its command not only the experience and activity of the Canadian trade commissioners but also the specialized knowledge of the commodity officers of the Department. On request, special commodity problems are investigated. As restrictions and other changes alter the trade picture, new sources of supply must often be sought. Canadian industry uses the Division to help it locate suitable alternative sources. The trade commissioners' reports on goods available in their areas are collated by the Division and passed on to Canadian importers.

Representatives of other governments work closely with the Import Division in promoting the sale of their country's exports. For example, British business visitors call on the Division to get advice and ideas on entering the Canadian market. They obtain names of reputable distributors and agents and they are briefed on the problems they may encounter—price trends, qualities and ranges of commodities which sell best, delivery periods, commercial terms, the great distances involved in transporting goods in this country, the need for adequate servicing facilities, and the most successful promotion methods.

• U.K.-Canada Continuing Committee

The U.K.-Canada Continuing Committee is a purely advisory body of government officials established in 1948 as a liaison between the United Kingdom and Canada and to exchange information on commercial and economic matters of mutual concern, especially on how to ensure the greatest possible trade between the two countries. These discussions, which are confidential and informal, are reported to the respective governments. The committee meets alternately in London, when the Canadian High Commissioner to the United Kingdom is chairman, and in Ottawa, when the United Kingdom High Commissioner to Canada is chairman. Members of the committee usually include senior representatives of the United Kingdom Treasury, Ministry of Food, Board of Trade and the Commonwealth Relations Office, and of Canada's Departments of External Affairs, Trade and Commerce, Agriculture, and Finance.

• The Dollar Councils

The Canadian Dollar-Sterling Trade Advisory Council was formed in 1951 as a successor to the Dollar-Sterling Trade Board. It is the Canadian opposite number of the United Kingdom's Dollar Exports Council which, in turn, is the successor of the U.K. Dollar Exports Board.

The original Boards were established in 1949, first in the United Kingdom, then in Canada. The members of both boards were men

prominent in industry, labour, transportation and the retail consumer field who volunteered their services. Neither Board was a government agency but each had the support of governments and worked closely with them.

The declared purpose of the U.K. Dollar Exports Board was to give all possible service to present or potential exporters from the United Kingdom to Canada and the United States. The functions of today's Dollar Exports Council remain the same and the membership is drawn from the same groups.

The Dollar Sterling Trade Board was established in Canada to assist and advise the U.K. Dollar Exports Board and to aid the development of sterling area imports into Canada so that the sterling area would be able to acquire dollars to buy Canadian goods in the traditional volume. The Board's approach was a practical and businesslike one; it endeavoured to supplement the efforts of private traders on the one hand and the government trade services on the other. It organized working committees of men active in a variety of capacities in leading industries and trades to cover all classes of industry where there was a reasonable possibility that a broader market for sterling area goods could be developed. In other words, it acted as a sort of clearing-house and promotion group.

The Board's successor, the Dollar-Sterling Trade Advisory Council, has much the same membership but acts only in an advisory capacity.

• The C.A.B.M.A.

The Canadian Association of British Manufacturers and Agencies was formed in May 1951 when it was first decided that the Dollar Boards should end their activities. The Association was planned as a continuing body which would carry on some of the functions of the Dollar Sterling Trade Board.

The CABMA is controlled by a council and executive. It receives its income partly from the Federation of British Industries, partly from a group of British manufacturers, and partly from local subscribers which are mainly firms of British origin and agents for British companies.

The CABMA's work in Canada includes:

- Keeping British products before the eyes of Canadian buyers.
- Helping Canadian buyers to get in touch with British sellers.
- Assisting the British firm that wishes to establish warehouses or plants in Canada, and putting it in touch with agents.
- Endeavouring to unravel difficulties which crop up between buyers and sellers, and expediting delivery of delayed orders.

The Association has prepared a register of British manufacturers trading in Canada and the first issue was published in June. It is proposed that the register be an annual publication. Still in the planning stage is a magazine dealing with British production.

In this varied work the CABMA is given valuable advice and assistance by the Dollar Exports Council and by its constituent members in the United Kingdom—the Federation of British Industries, the National Union of Manufacturers, the Scottish Council (Development and Industry), and the Northern Ireland Industries Council

The Association has offices, known as British Trade Centres, in Toronto, Montreal and Vancouver.

—Margot Martin
Information Branch

Commodity Notes

ARGENTINA

Corn—The 1952-53 crop is estimated at 3·7 million metric tons, an 81 per cent increase over the previous season but less than earlier trade forecasts. This is the largest crop since 1947-48, when 5·2 million tons were produced from an acreage similar to the current estimate of 3·35 million hectares. Adverse weather conditions this year explain the lowered output. If this first official estimate is confirmed there will be an export surplus of approximately one million tons, compared with shipments of over nine million tons in 1937, 2·3 million in 1947 and 299,202 tons in 1951—Buenos Aires, July 24.

AUSTRALIA

Uranium—The first public company to work uranium in Australia was registered in Adelaide early in July, with a capital of £250 thousand. It was formed by Mr. S. B. Tennyson of Katherine (Northern Territory) who said that he had made three discoveries of radioactive ore on the Edith River, about 33 miles north of Katherine. His latest find contained a four-foot lode formation—perhaps the first of its kind to be found on the surface in Australia. Experts of the Bureau of Mineral Resources described the finds as encouraging, and indicated several points where drilling should be made. It is reported that Mr. R. B. Allen, a senior Canadian uranium geologist, has come to Australia to advise the Commonwealth authorities on the search for and development of Australian uranium deposits. He is expected to remain in Australia for two years, mainly in the Northern Territory —Melbourne, July 27.

BRAZIL

Bananas—Because of the virtual suspension of banana shipments to Argentina during the first two months of this year, Brazilian banana exports through Santos amounted to only 1,893,942 stems during the first four months of 1953. In the same period last year, shipments totalled 3,549,391 stems—São Paulo, July 20.

Coffee—During the first five months of 1953, both quality and value of coffee exports were lower than they have been in three years. Shipments in May totalled 792 thousand bags, the smallest in 36 months. Exchange uncertainties and a wait-and-see attitude have undoubtedly contributed to this break in exports. Coffee available

for export amounted to 3,992,374 bags on May 31, 1953. The 1953-54 harvest was estimated at 16·8 million bags, or about a million more than the present one. However, unusual frost conditions early in July caused a tremendous loss—São Paulo, July 20.

GREECE

Meat—Greek meat imports to the end of 1953 will reach 15,000 tons, it is estimated, even though the Greek Government, through the Agricultural Bank, is granting loans to farm families to purchase small animals for fattening in an effort to cut down imports. Statistics indicate that during the past few years the annual supply of meat has increased steadily from 50,000 tons in 1949 and 60,000 tons in 1950 to 79,000 tons in 1951, reflecting improvement in living standards. At the same time, meat imports have remained at the rate of about 12,000 tons a year—8,000 tons fresh and 4,000 frozen, with very small amounts tinned. This year an increase of about 3,000 tons is expected, including 630 metric tons of Canadian canned beef for the Greek Army—Athens, July 19.

JAMAICA

Lumber—Jamaica recently received its first shipment of British Columbia Douglas fir. The shipment was made up of 830 thousand feet of dressed lumber and 100 thousand feet of rough—Kingston, July 17.

NETHERLANDS

Wood—The softwood trade in the Netherlands is unsatisfactory and competition from wood substitutes is increasing. Total lumber imports into the Netherlands during the years 1949-1952 had a value of 355 million guilders. The production of hardboard and pencils, begun in 1948, has made progress. Both commodities are sold successfully on foreign markets. Although 90 per cent of the raw materials has to be imported, the Netherlands industry is able to satisfy practically all requirements for semi-manufactured and finished wood products. The industry employs some 50 thousand workers and its annual output is valued at approximately 550 million guilders—The Hague, July 18.

SCOTLAND

Locomotives—Scotland will receive some of the new diesel-electric shunting locomotives being produced by British Railways. (It is hoped to build 573 in the next five years.) Although these locomotives are only 29 ft. long, they weigh 50 tons and have a tractive power of 35,000 lb., as great as some express locomotives, and carry enough fuel for 10 to 15 days of almost continuous shunting. Electrically lit, the cab is provided with adjustable side windows, a hot water radiator and an electric food warmer. There are duplicate controls and a pedal device which prevents power being applied unless the driver has complete control—London, July 23.

French Foreign Trade—by Commodities

. . . a careful analysis of changing trends in French products traded with her overseas territories and with foreign countries.

PARIS—The study of French foreign trade by commodities reveals some interesting trends. To begin with imports, since the war a significantly higher proportion of total imports from foreign countries has consisted of agricultural products, mostly at the expense of lower imports of raw materials. However, the trend is gradually being reversed and, with reasonable crops this year and an abatement of the foot-and-mouth epidemic, imports of agricultural products should fall considerably. As French industry becomes more and more restored, there should also be a return to higher imports of raw materials at the expense of manufactured articles. These trends are shown in the following table of percentages of total imports from foreign countries:

	1938 %	1950 %	1951 %	1952 %
Agricultural products, total	9·5	16·0	15·6	14·9
Cereals	1·3	2·8	2·2	4·0
Fruits and vegetables	3·3	3·2	2·0	2·0
Dairy products and eggs	·7	2·1	·9	1·3
Industrial products and raw materials	90·5	84·0	84·4	85·1
Textiles and their raw materials (1)	20·5	24·8	23·0	16·3
Metal manufactures and raw materials	15·5	14·4	11·6	14·8
Petroleum products	12·5	14·0	13·4	16·7
Solid fuels	14·3	7·3	7·9	9·6
Raw materials and fuels	71·0	54·0	55·8	57·3

(1) Mostly raw cotton and wool

Principal Imports

As the table indicates, imports are concentrated on raw materials and fuels. The following is a very brief resumé of the major commodities imported in 1951 and 1952:

	1951 (in billion francs)	1952
Crude petroleum (*)	159·9	194·7
Solid fuels (*)	97·5	111·8
Raw cotton (*)	97·3	81·0
Raw wool	99·6	61·0
Raw copper	24·5	41·2
Wood pulp	53·0	36·9
Crude rubber	41·2	26·7
Coffee	25·7	26·4
Wheat and bread grains (*)	7·2	23·1
Machine tools	14·8	18·6
Corn	15·9	16·2
Ships	14·2	12·9
Logs (mostly pulpwood)	6·9	11·5
Cocoa beans	13·8	11·5
Cow hides and skins	14·4	11·3
Sugar	4·1	10·1
Textile machinery	8·8	9·4

(*) Principally or substantially financed by MSA in 1952

France relies to a considerable extent on its overseas territories for its food requirements over and above domestic production. There is no definite trend but certainly there is no tendency towards obtaining more of total imports from these territories. In 1938 France imported from these overseas territories 27 per cent of total imports by value from all countries (foreign plus O.T.), compared with 26, 21 and 23 per cent for 1950, 1951 and 1952 respectively. These imports consisted largely of fruits and vegetables (13·7 per cent of total overseas territories imports in 1952), beverages (19·3 per cent, mostly Algerian wine), coffee, tea and spices (14·1 per cent) and non-ferrous metals (6·4 per cent), mostly nickel from New Caledonia and lead from North Africa.

Pattern of Exports Changes

The postwar export pattern is changing to give more emphasis to the metal-using industries, refined petroleum products, and transport equipment. These changes have been made at the expense of the textile industries. The substantial drop in food exports last year again reflects the poor 1951 grain harvests and the heavy infection of foot-and-mouth

—French Information Service

French miners at work in the iron mines of Segré, Maine et Loire. Since the war, products of the metal-using industries have been gaining ground in the French export figures, at the expense of textile and food products.

disease that reached its peak last year. The division by main groups by percentage of value over the last three years compared with 1938 gives the following:

	1938	1950	1951	1952
	% Total Foreign Exports			
Agricultural Products	13·1	16·6	15·1	11·9
Wines and liquors	6·0	4·3	5·6	4·5
Fruits and vegetables	2·8	2·5	1·5	1·6
Cereals	1·0	3·0	2·4	1·0
Meats	·5	2·2	1·9	·7
Industrial Products	86·9	83·4	84·9	88·1
Textiles	19·4	21·0	18·7	13·0
Metal-using industries	25·7	21·6	23·0	25·6
Steel crude and semis	7·2	12·4	13·8	13·7
Machinery	3·5	4·5	4·8	7·2
Petroleum products	·7	3·0	4·3	7·7
Chemical industries	10·0	8·7	8·4	8·2
Mechanical transport	2·7	5·3	5·4	6·0

Sales to Overseas Territories

Exports to the French overseas territories have increased substantially in the postwar years. The situation is reflected in the following table, in billions of francs, compared with the percentage of total trade:

	1938	1950		1951		1952	
	%	%	Billion francs	%	Billion francs	%	Billion francs
Exports to overseas territories ...	27	27	387	37	547	41	598

These exports consist mostly of products of the metal manufacturing industries (20·2 per cent of total O.T. exports in 1952), textiles (17·8 per cent), and vehicles (9·7 per cent).

Certain products are exported principally to the overseas territories, whereas others that are important exports to foreign countries are not important to the O.T. The following is a brief selection of main exports:

	1951		1952	
	Overseas Territories	Foreign	Overseas Territories	Foreign
	(billion francs)			
Iron and steel semis	20·8	77·2	29·2	63·3
Iron and steel plate	8·3	24·4	11·6	18·3
Fuel oil	4·5	17·8	6·2	24·5
Gas oil	2·4	14·4	5·3	17·7
Gasoline	7·7	6·2	9·7	16·1
Solid fuels	....	24·7	....	24·0
Passenger automobiles	15·7	21·7	21·0	18·9
Trucks	11·3	3·5	10·8	3·5
Combed and carded wool	....	19·2	....	19·4
Woollen yarn	1·2	35·8	1·2	14·0
Woollen textiles	4·6	14·6	4·8	5·2
Wines	5·5	16·2	5·8	16·7
Brandy	2·8	13·8	2·2	11·3
Tubes, iron and steel	4·8	16·6	5·2	15·8
Iron ore	....	10·4	....	13·4
Machine tools	3·6	8·7	4·0	13·3
Pharmaceutical preparations	8·7	5·6	10·0	6·4
Rayon textiles	10·5	10·8	10·9	5·6
Cotton textiles	63·6	7·7	58·0	4·0
Cotton yarn	5·2	8·8	4·6	4·3
Sugar	22·7	4·2	23·2	1·4

—R. G. C. Smith
Commercial Counsellor for Canada

See also "The Foreign Trade of France" in our August 8, 1953, issue.

General Notes

AUSTRALIA

Foreign Investment—Overseas firms are planning to invest about £142 million in major projects in Australia. Many of these projects probably would have been beyond the scope of local resources but with overseas assistance Australia will be able to develop new manufacturing capacity in many fields. The most important industries now financed largely by overseas capital are cars, trucks, tractors, heavy earth-moving equipment, four large oil refineries, synthetic yarns, a wide range of heavy chemicals, engineering equipment, textiles and heavy electrical gear. American interest in Australian investment coincides with the signing of a double taxation agreement between Australia and the U.S.—Sydney, July 15.

BRAZIL

New Steel Mill—A new steel mill, "Companhia Ferro e Aco de Vitoria", will be constructed shortly at Vitoria, State of Espirito Santo, according to an announcement made by the Governor of that state. Financed jointly by Brazilian capitalists and the Koeckner group of Germany, the company plans to increase its initial capital from Cr.$160 million to Cr.$220 million. Production is estimated at 50 thousand tons of finished products the first year and 400 thousand tons of finished products within four years. This surpasses the output of the National Steel Company at Volta Redonda. The company intends to use iron from Itabira and electric power from the Rio Bonito power station only a short distance away. Coal will be imported through the port of Vitoria—Rio de Janeiro, July 22.

NETHERLANDS

Currency Liberalized—An important foreign exchange decision in the framework of the gradual liberalization of currency traffic has been taken by the Netherlands Bank. The Bank has granted a general licence for the transfer of capital yield and contractual amortization to non-residents domiciled in countries with which the Netherlands has no monetary agreement.

The licence regarding the capital yield refers to coupons, dividends and obligatory amortization of domestic securities, and to coupons and obligatory amortization of foreign guilder bonds.

It is expected that the new measure will further the appreciation of the guilder abroad. There is now only one impediment to large-

scale foreign purchases of Dutch securities—that is, the discrimination between so-called exportable and non-exportable Netherlands' securities—The Hague, July 21.

Flood Recovery—Approximately 90 per cent of the more than 370 thousand acres of land flooded in southwestern Holland five months ago is dry again. Of the 67 major dike breaks, only four remain to be filled. The most difficult problem is that of the flooded Island of Schouwen-Duiveland, which is not expected to be dry this year. However, it is hoped that the breaches in the dike can be closed by September—The Hague, July 14.

NORTHERN RHODESIA

New Power Project—The Rhodesia Congo Border Power Corporation is being advanced £ 8 million by the Export-Import Bank to assist in the development of hydro-electric power supplies and distribution networks in the Northern Rhodesia copper belt. The four principal syndicates of the copper belt will be responsible for private generation of power until 1957, when hydro-electric power from the Lualaba Gorge in the Belgian Congo will be available to the Power Corporation. The loan will be amortized by deliveries of copper and cobalt to the Defence Materials Procurement Agency of the United States, and completed by 1962; thereafter, power from the Lualaba will be available under re-negotiated contract—Cape Town, July 17.

WEST GERMANY

Export Credit Insurance Extended—An executive committee including representatives of various federal ministries, the private Hermes Credit Insurance Company, and the Treuhand A.G., a public institution, administer export guarantees to cover risks resulting from political developments. This insurance does not, however, cover risks arising out of balance of payment difficulties.

During the past years the amount authorized for export guarantees has increased from 120 million DM in 1949 to 2·4 billion DM since March 12th, 1952. Effective June 17, 1953, the amount available for coverage has been raised to 4·0 billion DM—Bonn, July 18.

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad ....August 1

Head Office Directory ....July 11

Area Breakdown, Foreign Trade Service..........April 18

Foreign Commercial Representatives in Canada....August 8

The Philippines in 1953

So far, 1953 has shown mixed trends; imports have fallen but the trade balance remains adverse and future prices of major exports appear uncertain.

MANILA—Unless unforeseen and adverse developments arise, the economy of the Philippines is expected to withstand certain disturbing factors which are now at work. Observers contend that the forceful application of sound fiscal and monetary policies and the implementation of an adequate program of industrialization based on the use of Philippine raw materials will ultimately justify confident business predictions.

The more favourable economic trends today include:

- Moderate gains in international reserves, which are higher than they were a year ago.

- A continuing increase in the internal purchasing power of the peso, as a result of substantial decreases in the official cost-of-living index, principally for food items. This includes a striking down-trend in the price of rice which has reached a postwar low.

Some Trends Unfavourable

Certain unfavourable trends are also showing up:

- An expected decline in government revenue.

- A continuing adverse balance in foreign trade.

- Uncertainty over the future prices of major export commodities, despite firm overseas markets, especially in the United States and Japan.

Early in April, foreign exchange holdings of the Central Bank of the Philippines reached $307 million, compared with $300 million at the end of March and $296 million at the end of February. Reserves at the close of 1952 totalled $306 million.

The "all items" cost-of-living index declined to 321·3 in May 1953 compared with 347·9 in December 1952 and 347 in December 1951.

Exports Up, Imports Down

The latest foreign trade statistics cover February 1953, when imports, at $37·6 million, were down by 24 per cent compared with a year earlier ($49·5 million).

The export statistics revealed the effect of the February high prices for the principal Philippine products and totalled $30·5 million, slightly more than the $29·5 million recorded for February 1952.

In domestic trade, money seems tight and collections rather slow.

Building permits issued in Manila during February 1953 and comparable months were:

February	1953	$2,149,888
"	1952	2,113,020
"	1951	1,816,125
"	1950	2,009,345

Electric power production in Manila during both January and March was over 50 million kilowatt hours. In March, production reached a new high of 50,830,000 kilowatt hours, 12·6 per cent above March 1952.

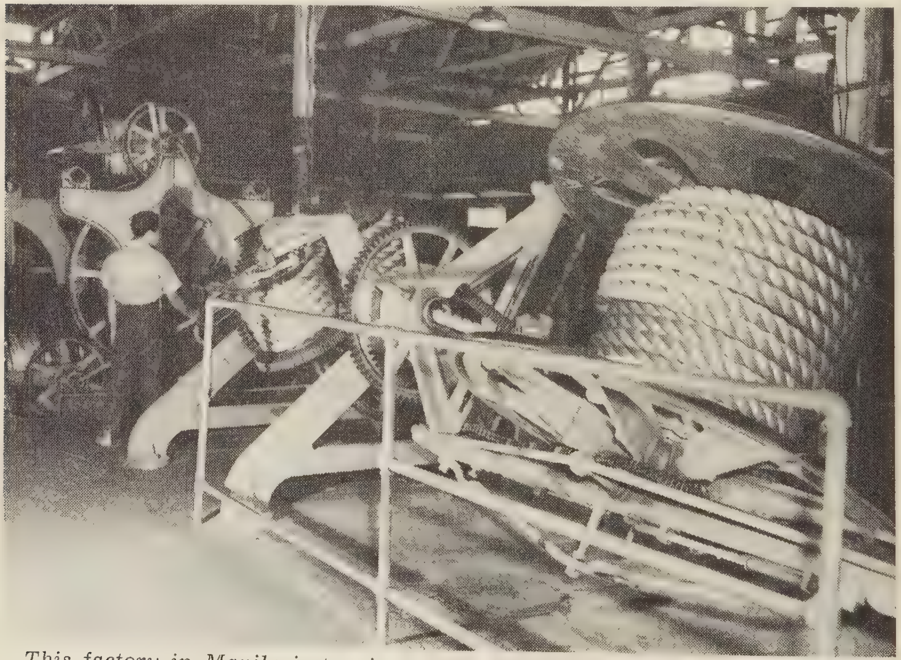
Budget Passed

Before rising, Congress passed the budget for the fiscal year beginning July 1, 1953. This budget included:

General appropriations	$236,702,500
Public works appropriations	28,945,000
Peso counterpart fund	10,000,000
Relief appropriations for typhoon victims, etc.	6,560,000
Public service special appropriations	3,459,000
Supplementaries	4,500,000

Congress refused to pass the items in the budget covering the Import Control Commission. This means that the Commission can no longer function, despite the fact that the Foreign Exchange Control law remains in effect. As a result, because imports require an allocation of foreign exchange, the Central Bank, as from July 1, controls imports by receiving and approving applications for foreign exchange to cover them. These applications are submitted to the Central Bank by commercial banks, operating on behalf of their clients.

—FREDERICK PALMER
Consul General of Canada and Trade Commissioner



This factory in Manila is turning out Manila rope, one of the Philippines important export products. Last year, for example, Canada purchased nearly $650 thousand worth of Manila fibre.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, begins a tour of Canada in Quebec City on August 17. His itinerary is:

Halifax—August 19-20
Saint John—August 21-25
Toronto—August 28-September 5
Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11
Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Montreal—August 31-September 4
Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Ottawa—August 20-22
Winnipeg—August 25-26
Vancouver—August 29-September 4

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Montreal—August 17-26
Toronto—August 27-September 4
Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Kitchener—August 20
Guelph—August 21
Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Brantford, Guelph, Montreal, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

Trade and Tariff Regulations

BENELUX

Customs Duty on Iron Machine Wire Increased—Effective July 1, the customs duty on iron and steel wire intended for definite industrial purposes entering Belgium, the Netherlands and Luxembourg was increased from 1 to 4 per cent ad valorem. Before this increase, the 4 per cent duty has been applicable to all other types of iron and steel wire—Brussels, July 23.

IRAN

Exchange Rate—Effective June 28, a single fixed certificate rate of exchange applicable to all merchandise imports was established in Iran. As a result, *imports* into Iran are now subject to an effective rate of exchange of 100 rials to the United States dollar. Iranian *exports* are reported to be now subject to a composite exchange rate of 95 per cent at the fixed certificate rate and 5 per cent at the official rate of 32·5 rials to the United States dollar.

Formerly, imports and exports of Iran were subject to two certificate rates of exchange. The rate applicable depended on the commodity traded.

JAMAICA

Notice to Exporters—Canadian manufacturers and exporters are advised that no shipments should be made to Jamaica and this territory before advice has been received from their agent or from the importer that an import licence has been obtained.

Cases have arisen where goods have arrived even before an application for import licence has been made and such goods are liable to confiscation.

While import licences for products on allocation vouchers under the B.W.I. Trade Liberalization Plan are automatic, still the Trade Administration authorities insist that the licence must be issued before the goods are shipped. Consequently, vouchers should be forwarded promptly.

Care also should be taken that the invoice f.o.b. factory does not exceed the value of the allocation voucher—Kingston, July 24.

NEW ZEALAND

Import Licences for Tacks from Canada—The New Zealand Department of Customs announced July 24 that licences may be granted to import blued upholsterers' and trimmers' tacks, coloured gimp pins, and shoemakers' tacks and tingles from Canada to the extent of 50 per cent of the amounts of licences granted for tacks from the same source in 1952. Licences already granted for these classes of tacks are to be regarded as part of the allocation.

UNION OF SOUTH AFRICA

Straw and Hay Packing Regulations—The Office of the High Commissioner for the Union of South Africa in Canada has advised that the Union Government, in order to prevent the introduction into that country of foot and mouth disease, has decided to enforce more strictly the provisions of Government Notice 284 of March 3, 1939, which deals with the use of straw and hay for the packing of merchandise imported into the Union.

The government regulations are as follows:—

"Consignments of merchandise must be accompanied by a certificate issued by an official duly authorized thereto by the Government of the exporting country to the effect that the hay or straw used has been either—

"(*a*) kept in store free from contact with any foot and mouth disease, contagious bovine pleuropneumonia, sheep-pox or rinderpest infection for a period of at least four months immediately prior to use; or

"(*b*) effectively disinfected by subjection to live steam in a closed compartment at a temperature of 185°F. for at least ten minutes; or

"(*c*) effectively disinfected by being placed loosely in a closed compartment having a temperature of not less than 65°F. and thoroughly sprayed with 10 fluid ounces of formaldehyde solution (containing not less than 37 per cent formaldehyde by weight) for each 1,000 cubic feet of space in the compartment, which was immediately closed and kept closed for not less than 8 hours; or

"(*d*) effectively disinfected by being placed loosely in a closed compartment and subjected to heat in the presence of moisture at a temperature of not less than 260°F. for a period of not less than two hours, the said temperature being maintained during that period throughout the whole of the compartment; or

"(*e*) effectively disinfected by some equally efficacious process approved by the Government of the exporting country."

The certificate referred to above may be obtained on request from the District Veterinarian of the Health of Animals Division of the Federal Department of Agriculture in the province concerned.

UNITED STATES

Tariff Commission Institutes Investigation into the Production, Trade and Consumption of Lead and Zinc.

The United States Tariff Commission issued the following public notice on July 29, 1953:

"Pursuant to a resolution of the Committee on Finance of the United States Senate on July 27, 1953, and of the Committee on Ways and Means of the House of Representatives on July 29, 1953, the United States Tariff Commission, on the 29th day of July, 1953, instituted a general investigation under the provisions of section 332 of the Tariff Act of 1930, as amended, of the domestic lead and zinc industries, including the effect of imports of lead and zinc on the livelihood of American workers.

"The purpose of the investigation is to determine the facts relative to the production, trade, and consumption of lead and zinc in the United States, taking into account all relevant factors affecting the domestic economy, including the interests of consumers, processors, and producers. Upon completion of the investigation the Commission will submit a report of the results thereof to the Senate Finance Committee and the House Committee on Ways and Means. Such report will include a statement of findings as to the effect upon the competitive position of the domestic lead and zinc industries of the present tariff status of imported lead and zinc.

"*Hearings.* Public hearings, at which all interested parties will be given opportunity to express their views, will be held in connection with this investigation, beginning on November 3, 1953, with respect to lead and beginning November 5, 1953, with respect to zinc. Hearings will be open at 10 a.m. on the days fixed, and will be held in the Hearing Room of the Tariff Commission, 8th and E Streets, N.W., Washington, D.C.

"*Requests to Appear.* Interested parties desiring to appear and give testimony at the hearings should notify the Secretary of the Commission, in writing, at its offices in Washington, D.C., in advance of the hearings."

VENEZUELA

Import of Hay, Straw, Animal Feeds—The Venezuelan authorities have announced that the restrictions on the import of hay, straw and other animal feeds from Canada have been lifted since June 16, 1953. This ban was imposed at the same time as the Venezuelan embargo on Canadian cattle in February 1952, because of the outbreak of foot and mouth disease in Saskatchewan.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01073.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Aug. 6*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1319	
		Basic buying	·1979	
		Preferential selling	·1979	(1)
		Basic selling	·1319	
		Free	·07122	
Austria	Schilling		·03805	
Australia	Pound		2·2295	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01981	
Bolivia	Boliviano	Official	·00521	
British West Indies	Dollar		·5806	(3)
	Pound		2·7869	(4)
	Dollar	Brit. Honduras	·6967	
Brazil	Cruzeiro	Official	·05348	tax 8%
		Free	·02343	(2)
Burma	Kyat		·2090	
Ceylon	Rupee		·2090	
Chile	Peso	Official	·00899	(1)
Colombia	Peso	Basic	·3957	tax 3% (2)
Costa Rica	Colon	Official	·1762	(5)
		Controlled Free	·1490	*
Cuba	Peso		·9894	tax 2%
Czechoslovakia	Koruna		·1374	
Denmark	Krone		·1432	
Dominican Republic	Peso		·9894	
Ecuador	Sucre	Official	·06596	(6)
		Free	·05693	
Egypt	Pound		2·8410	
Fiji	Pound		2·5107	
Finland	Markka		·00430	
France	Franc		·00283	
French Africa	Franc		·00565	
French Pacific	Franc		·01554	
Germany	D Mark		·2356	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9894	
Haiti	Gourde		·1979	
Honduras	Lempira		·4947	
Hong Kong	Dollar	Free	·1653	*July 24
Iceland	Krona	Official	·06075	
		Special buying	·04677	
		Special selling	·03769	
India	Rupee		·2090	
Indonesia	Rupiah	Basic	·08679	(7)
		Dollar certificate	·00187	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Aug. 6	Notes (See below)
Iran	Rial	Official	·03068	*
		Certificate	·00987	*
Iraq	Dinar		2·7702	
Ireland	Pound		2·7869	
Israel	Pound	Basic	2·7702	
		Special	1·3851	
		Investment	·9894	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·2956	
Mexico	Peso		·1144	
Netherlands	Guilder		·2604	
Netherlands Antilles	Guilder		·5246	
New Zealand	Pound		2·7869	
Nicaragua	Cordoba	Effective buying	·1499	(8)
		Official selling	·1403	
		With Surcharge I	·1229	
		With Surcharge II	·09844	
Norway	Krone		·1385	
Pakistan	Rupee		·2990	
Panama	Balboa		·9894	
Paraguay	Guarani	Basic	·06596	(1)
		With Surcharge I	·04711	(9)
		With Surcharge II	·03297	
Peru	Sol	Certificate	·06085	
Philippines	Peso		·4947	tax 17% (2)
Portugal	Escudo		·03454	
El Salvador	Colon		·3957	
Singapore & Malaya	Straits dollar		·3251	
South Africa (Union of)	Pound		2·7869	
Spain & Dependencies	Peseta	Basic buying	·04518	
		Basic selling	·08817	
		Basic commercial selling.	·06023	(1)
		Free	·02511	
Sweden	Krona		·1913	
Switzerland	Franc		·2309	
Syria	Pound	Free	·2783	*July 15
Thailand	Baht	Official	·07915	(1)
		Free	·05647	*June 30
Turkey	Lira		·3533	
United Kingdom	Pound		2·7869	
United States	Dollar		·9894	
Uruguay	Peso	Official	·6513	
		Basic buying	·5558	
		Special buying	·4210	(1)
		Basic selling	·5207	
		Special selling	·4038	
Venezuela	Bolivar		·2953	(10)
Yugoslavia	Dinar		·00330	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

n the market for a magic carpet?

ince Ahmed found it useful to have one. According to the ›ry in the Thousand and One Nights, *whenever he wanted to* ıvel *he merely jumped on his magic 9 by 12 and was transported* *comfort to his destination. Just the thing for the office-bound* ısinessman.

There are interesting developments in Brussels . . . I wonder I could sell in Boston . . . what are the possibilities in ›gota?" *If only you could be there in a flash to see for yourself.* ›ut *no store stocks magic carpets—they belong to story books.*

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foreign trade

AUGUST 22, 1953

Australia: the Trade Picture Brightens

foreign trade

L. 14 OTTAWA, AUGUST 22, 1953 NO. 347

. . . This grand
Merino ram bears
ke an aristocrat.
the Merino sheep,
has become the
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better wool prices
3 boosted export
a near record. For
Australia's trade
culture, see pages

alian Official Photo

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Australia

The Trade Picture Brightens

Reports on the 1952-53 fiscal year, now coming in, reveal a heartening rise in the favourable trade balance, with imports down and exports reaching a near record.

SYDNEY—Australia's trade for the fiscal year ended June 30, 1953, showed a favourable balance of £A358·2 million, an improvement of £A736·6 million over the previous year. Exports, at £A872·3 million, were £A197·3 million above 1952-53 and reflected higher prices for wool and a good season for primary production. Imports during 1952-53 were valued at £A514·1 million, less than half the value of the previous year, and reflect the severe import restrictions imposed in March 1952 to counter a serious balance-of-payments crisis.

Though the favourable trade balance appears large, it does not take into consideration invisible payments (including freight and insurance) which are estimated to be about £A100 million. Thus the addition to Australia's overseas' reserves should be about £A258 million for the year.

Import Restrictions Eased

The improvement in the trade balance has exceeded even the most optimistic forecasts and has enabled the Government to carry out its policy of gradually relaxing import controls on non-dollar goods as the position improved. Early in 1953 some modifications were made in the import licensing regulations to permit increased imports of certain essential commodities from soft currency sources. On April 1, 1953, the restrictions were eased further to allow an additional £A50 million worth of imports from soft currency sources and on July 1, 1953, still another easing, to the value of £A45 million, was announced. So far relaxations of import restrictions have not applied to the dollar area and no substantial easing of restrictions appears likely until dollar reserves show considerable improvement.

Main Suppliers

During the past year, the United Kingdom remained the principal source of Australia's imports even though it was hard hit by the restrictions which reduced purchases from Britain to less than half of the previous year's total. The United States—Australia's second largest supplier—suffered less. Restrictions against dollar imports had been in force for some years and imports from the United States were already confined to essential goods not obtainable elsewhere. The reduction of imports from the United States, approximately 15 per cent, can be largely attributed to the business recession during 1952. This curtailed economic activity to some extent and decreased the demand for some capital goods.

Imports from Arabia, mainly petroleum and products, increased slightly; imports from Indonesia, also petroleum and products, decreased by about 15 per cent. The value of imports from India declined drastically to about one-third of the value during 1951-52, largely because of reductions in the prices of jute and, to a lesser extent, cotton goods.

Exports Mount

Increased wool prices and a higher value of exports of wheat, dairy products and meat resulted in total export receipts second only to 1950-51, when record wool prices swelled the total to £A981·8 million. The United Kingdom remained the principal market for Australian goods, taking practically the total exportable surplus of meat and dairy products under bulk purchase agreements, and wheat under the International Wheat Agreement. Japan, for the first time since the end of the war, rose to second place among Australia's customers with purchases of about £A80 million, mainly wool but including wheat and barley. The United States, which last year was Australia's second largest customer, dropped to fourth place because of curtailed wool purchases; France remained in third place and purchased about 20 per cent more in value.

An interesting feature of Australia's trade is the lack of balance with some of her most important markets. Japan ranks as the second most important buyer of Australian goods but is down to about eighteenth in line as a supplier, selling Australia only about £A6 million worth of goods. France, the third largest market, remained about ninth as a supplier; Italy, Australia's fifth most important market, came about seventeenth as a source of imports. This situation stems partly from the British preferential system which gives the United Kingdom considerable advantages in the Australian market, and partly from the fact that the goods available from France and Italy are, to a large extent, luxuries.

With Japan it is a little different. Australians have not yet forgotten the past and there is some resentment at any attempt to increase imports from this source. Japan has officially warned, however, that shortages of sterling may make it necessary to reduce purchases of wool and this is likely to have repercussions on the price, which Japanese buying has

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Highlights of 1952-53 Trade Year

- *Restrictions on non-dollar imports were eased slightly, as position improved.*

- *Increased wool prices, plus a rise in value of wheat, dairy products and meat exports, swelled export income.*

- *Britain retained her place as Australia's main market, with Japan ranking second and France third.*

- *United States decreased its purchases of wool; dropped to fourth place as a customer.*

- *Australia bought from Canada twice as much, by value, as Canada purchased from Australia.*

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helped to maintain. It seems probable that the Australian position will have to be reviewed and the probabilities are that the coming year will see considerably larger buying of Japanese goods.

What's Ahead

The outlook for the coming year is favourable and the general opinion appears to be that exports will remain at approximately the same level as last year and imports go somewhat higher. Export income is so closely associated with unpredictable factors such as wool prices and climatic conditions that no accurate forecast can be made. With the restoration of Australia's overseas reserves to a healthy level, further relaxations in import restrictions can be expected. Some local manufacturers who have benefited by these restrictions are reluctant to see them go and are bringing considerable pressure on the Government to retain them. So far, however, there is no indication that the Government's policy of relaxing restrictions as overseas balances improve will be modified.

Over the past two years, inflation has become a serious problem and many export industries are having difficulty in keeping production costs reasonable. The principal products—wool, meat and dairy products—are still able to find markets but there are signs that the dairy industry may run into difficulties during the next year. Negotiated prices for butter and cheese under bulk purchase agreements with the United Kingdom this year were raised only 3½ per cent, considerably less than increases in costs of production, and returns to the industry will probably be lower. Costs in the canning industry have caused concern over the past year and it has proved difficult to market the output; many canneries have closed or have curtailed operations. Manufacturing costs in general have increased drastically and there is little possibility that manufactures will play a significant part in export trade until costs are stabilized.

Trade with Canada

Australia's trade with Canada continued in the postwar pattern, with Australia purchasing over double the value of goods sold to Canada. Only once since the war has Australia had a favourable trade balance with Canada, and then only because of terrific increases in the price of wool. During the past year Canada was Australia's fifth most important supplier, and as a market for Australian goods, fourteenth. Australian exports to Canada amounted to about £A9 million, approximately the same as last year, and consisted mainly of wool, sugar, dried fruits, canned meats and fruits, wines and sausage casings. The scope for Australian goods in Canada is limited largely to these commodities.

Imports from Canada were valued at about £A19·5 million, down roughly £A2 million from last year. Main imports from Canada were automobile parts, lumber, newsprint, copper, aluminum, asbestos and tobacco. Canada's exports to Australia are limited by the severe import restrictions, under which only essential goods which cannot be obtained from soft currency sources are licensed. No substantial change in the pattern of Australian-Canadian trade is expected during the coming year and the volume of trade will probably remain at close to last year's level.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Australia

The Farmer Steps Up Production

Speaking at the opening of the 38th annual meeting of the Australian Agricultural Council recently, the Minister for Commerce and Agriculture reviewed farm production and emphasized the hopeful outlook. Here is a summary of his address.

MELBOURNE—The present prosperity of Australia's agricultural and pastoral industries is emphasized by the increased output recorded in the 1952-53 season and by a review of prospects for the coming season. Gross value of production in 1952-53 is estimated at £1,090 million, or 17 per cent above that of 1951-52.

The increase in the volume of 1952-53 rural production is expected to be nearly 15 per cent over the previous year and approximately 19 per cent above the average of the three immediate prewar years. However, since 1939 the population of Australia has risen by 25 per cent, with home consumption as a result increasing more rapidly than production. There is however, evidence of a rise in production which represents a real step towards achievement of the goal set by the Council a year ago.

The high level of wheat production in 1952-53 was only possible because of the exceptionally high average yield of 19·1 bushels per acre, but indications are that the 1953-54 sowings will reverse the downtrend in wheat acreage apparent since 1947-48. Australia's position as the only exporter of wheat in the sterling area remains sound.

Record Wool Production

A favourable season, the success of the myxomatosis virus campaign against rabbits, and continued progress in property improvement contributed to a record wool clip in 1952-53 estimated at 1,250 million lb. greasy. This is 20 per cent higher than in 1951-52 and 25 per cent higher than the five-year prewar average. The wool cut this season is expected to be half a pound per head above the all-time record of 8·53 lb. in 1928-29.

Meat and Dairy Products

Production of beef and veal for 1952-53 is estimated at 625 thousand tons and mutton and lamb at 340 thousand tons, compared with 585 thousand tons and 277 thousand tons last year.

Expansion of the dairy industry has been held back because other farm products are more attractive in price. Australian butter and cheese have not been competitive in overseas markets with other important exporting countries. Costs of production must be reduced through greater efficiency and this applies also to the egg and pig meat industries.

A record sugar output of 933 thousand tons was achieved in 1952-53. Acreage assignments have been increased and the 1953-54 crop is likely to be a record one, exceeding last season's.

Export Earnings

Improved production and favourable prices helped to increase export earnings from farm products in 1952-53 by about £150 million over 1951-52. The estimate of returns from export sales of these products for the current year (1953-54) is about £690 million.

Increases in export earnings of various products this year compared to last are:

Butter: £4·4 million to £17·9 million.

Barley: £10·7 million to £19·5 million.

Sugar: £7 million to £21·0 million.

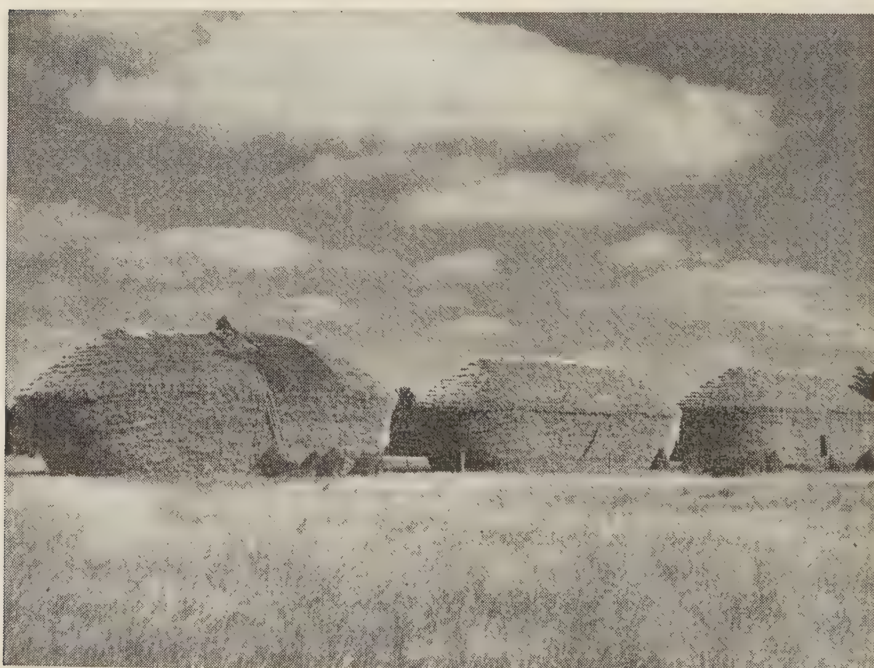
Beef and Veal: £5·2 million to £16·7 million.

Canned Meats: £16·0 million to £26·2 million.

Lamb and Mutton: £2·0 million to £9·0 million.

The value of cheese, egg and dried fruits exports also went up.

The Australian Meat Board estimates that exports of beef in the year ending June 30, 1953, will easily be a record. Exports of carcass beef in 1952-53 are estimated as between 100 thousand and 110 thousand tons,



—Australian Official Photograph

An Australian farmer near Growedale, Victoria, thatches his stacks of oats to protect them from the weather. Oats rank as the country's second most important cereal crop, next after wheat.

and of canned meat (mostly beef) between 80,000 to 90,000 tons (approximately 105 thousand tons carcass meat equivalent). Mutton exports are expected to reach 39,000 tons, the highest since 1921; in 1951-52, they were only 3,000 tons. Lamb exports should total 37,000 tons, compared with 11,500 in 1951-52 and 20,000 tons in 1950-51. These increases are to some extent the result of a good season following a drought over a large area of Australia.

Prices for wool firmed this year to about 25 per cent higher than last year, although not as high as the boom year 1950-51. This, plus an increased yield, brought wool exports up to £425 million, compared with nearly £308 million in 1951-52.

Dollar-Saving Industries

The desired expansion of certain dollar-saving industries such as tobacco and cotton has made progress. Negotiations between tobacco growers and manufacturers are being continued in an effort to reach agreement for a marketing arrangement to operate for next season. In addition, a committee composed of all interested parties has been set up to survey the industry.

In order to avoid widespread loss of grower confidence in the industry, the Commonwealth Government arranged, in a special act, for advances to be made to growers on 1951-52 tobacco left unsold at last year's sales.

The Standing Committee for Agriculture has recommended to the Council that a special study be made of the long-term marketing requirements of the smaller industries, such as cotton, linseed and tobacco, with tobacco receiving priority.

(Later, the Council carried a motion requesting that:

- The Commonwealth authorities consider restricting imports of manufactured and unmanufactured tobacco into Australia, except cigars, to the quantity required to be imported to meet Australian demands after all usable Australian leaf has been absorbed, and that

- A committee representative of the Commonwealth Government, the growers and the manufacturers be appointed to determine what is usable leaf.

The Council was informed that the Department of Commerce and Agriculture had undertaken to prepare a full review of tobacco marketing for later consideration by the Council.)

Marketing Arrangements

The Minister stressed that the British Ministry of Food would cease importing wheat in August 1953 and that the import of all grains has been returned to ordinary trade channels. Products such as eggs, meat, dairy produce, dried fruits and canned fruits, which have been marketed under bulk purchasing contracts, may soon revert to private trading and must be prepared to compete in quality and price. This means that the Australian producer must pay more attention to quality, price and packaging and to selling arrangements and publicity overseas.

—R. W. BLAKE
Agricultural Secretary for Canada

76494—3

Distribution Centres in the South

NEW ORLEANS—A brief survey of distribution centres in the southern United States, both coastal and inland, may prove useful to Canadian shippers. Distribution practices vary in the different trades, but the usual maximum territory served by food brokers at least is one to two states. It is therefore important for the businessman to be familiar with the main distribution centres in each state and to use the most suitable ones, rather than to attempt to cover the whole South through one distributor. The Trade Commissioner office in New Orleans has information on many of the important distributors in each area and will be glad to advise shippers.

Canada's business with southern U.S. ports is very limited and port figures do not provide a true picture of trade between the two countries. At present, the South Atlantic ports receive from Canada crude gypsum, newsprint, some lumber (in Florida), and vegetables. Shipments from Canada arriving in the Gulf ports are mainly ores, non-metallic minerals and newsprint. Chief ports of the Southern States are:

- *On the Atlantic coast*

  Wilmington, Morehead City, and Charleston in North and South Carolina
  Savannah in Georgia
  Jacksonville and Port Everglades in Florida

- *On the Gulf*

  Tampa in Florida
  Mobile in Alabama
  New Orleans in Louisiana
  Houston in Texas.

Railways Carry Bulk

Apart from the products mentioned above, the greater part of imports from Canada enter the Southern States by rail. Even British Columbia softwoods travel by train as far as Florida, although this state also receives heavy shipments into the port of Everglades and some in Tampa. It is the comparatively easy rail haul and the fact that the railways can handle small quantities that has kept inter-coastal trade between the two countries at very moderate levels.

Inland Centres

For overland shipments, ten outstanding distribution centres should be considered when checking on trade, appointing agents or making wholesale arrangements. These centres fan out in a rough semicircle around New Orleans, beginning with Houston, Dallas and Fort Worth in

Texas; Birmingham, Alabama; Atlanta, Georgia; Charlotte, North Carolina, and Miami, Florida. These cities appear in nearly every distribution survey of the United States. In 1952 a special market research report on primary trade areas in the United States gave them this U.S. ranking, based on 1950 figures:

Rank	*City*	*Population 1950*
13	Dallas and Forth Worth, Texas	970,098
20	Houston, Texas	802,102
23	Atlanta, Georgia	664,033
31	New Orleans, Louisiana	681,037
32	Miami, Florida	448,689
37	Memphis, Tennessee	480,161
38	Charlotte, North Carolina	196,160
39	Birmingham, Alabama	554,186
44	Oklahoma City, Oklahoma	332,090

As might be expected, these cities serve as distribution centres in the states which have shown the largest measure of economic growth in recent years, as the following listing in order of value of production in 1952 indicates:

VALUE OF PRODUCTION, 1952

(in million dollars)

State	*Rural Industries*	*Farming*	*Mining*	*Construction*	*Manufacturing*
Texas	37	2·291	3·219	2·067	10·047
North Carolina	14	1·097	23	991	6·426
Georgia	21	802	34	580	3·914
Tennessee	10	649	73	609	3·278
Louisiana	21	438	785	453	3·017
Florida	27	493	71	876	1·278
Alabama	10	580	135	479	2·864
Oklahoma	6	782	571	396	1·709
South Carolina	10	472	12	687	2·742
Mississippi	10	732	134	242	1·060
Arkansas	10	713	120	258	911

Some centres are better adapted to the distribution of certain commodities than others. However, for general purposes, Atlanta, Georgia, is the logical distribution centre for the Southeast and Dallas or Houston, Texas, the main distribution point for the Southwest. None of these southern cities should be overlooked; each has its value. Dallas, Fort Worth and Houston serve the state which at present is head and shoulders above the other Southern States in size and economic importance. Its petro-chemical industries, based on natural resources of oil, gas, salt and sulphur, are making rapid progress and this area provides a good market for Canadian wood products and offers possibilities for Canadian foodstuffs.

Birmingham, Alabama, the focal point of the South's heavy steel industry, is probably the major wholesale lumber centre for Canadian softwoods because it has more important wholesale lumber firms than any other city in the South.

Charlotte, North Carolina, in the heart of an area which is witnessing a vast expansion in textile and allied industries, is also an important centre for Canadian products.

—Gerald A. Newman

Consul of Canada and Trade Commissioner

76494—3½

United Kingdom

Report on Overseas Trade

LONDON—United Kingdom exports during the first six months of 1953 were valued at £1,309·8 million. Compared with the same period in 1952, this represented a reduction of 8·5 per cent. On the import side the tendency was the reverse. Imports up to the end of June amounted to £1,693·9 million, a rise of 10·9 per cent.

The official view is that the general trade position is not satisfactory if Britain is to maintain the forward impetus that the situation demands. Expansion of the export trade is still the main need; imports are thought to be running at reasonable levels. The serious fact is that, although production is better, exports have not been pushed to the maximum.

Higher Sales to North America

North American markets stand out as an exception in the general downward trend of exports. In the month of June exports to Canada at £16·1 million established a record, and exports to the United States reached £14·4 million. Total exports to North America were valued at £30·5 million compared with the previous high of £29·8 million in April.

The monthly average of exports to North America during the first half of the year was £26·8 million, £5·5 million more than in the same period last year. Industries contributing most to this improvement were automobiles, machinery and woollens.

Trade Deficit Increased

Imports climbed in the first half of the year; the monthly average for the second quarter was £292·3 million which is nearly £20 million a month more than in the first quarter of the year. The excess of imports over total exports in January-June 1953 was £384·1 million, compared with £470·2 million a year ago. The trade deficit averaged £64 million a month, a little higher than the average over the whole of 1952. Between the first and second quarters of 1953, however, the deficit rose from £54 million to £74 million a month. In June it was £79·7 million.

To correct this trend, United Kingdom exporters are urged to push sales abroad still harder, particularly in non-dollar markets in which the decline is concentrated. Import restrictions are no doubt partly responsible, and as they are relaxed United Kingdom sales in those markets should, theoretically, recover. Whether the United Kingdom's share of the non-dollar markets will be regained in full, however, remains to be seen. In spite of the restrictions German exports have been increasing recently and, in any event, competition from that quarter is likely to become keener. An encouraging sign is that prices of British goods, judged by the rising sales in North America, appear to be competitive.

—R. P. Bower
Commercial Counsellor for Canada

FAIRS and EXHIBITIONS

Spain in Santiago

As part of an organized drive to increase Chilean-Spanish trade, a Spanish Trade Exhibition opened in Santiago this summer. The building which houses the exhibition was purchased by the Spanish authorities to serve as a permanent centre.

The displays occupy four floors of the building and over 600 firms have participated. The machinery exhibit alone is said to have a value of over US$80 thousand and ranges from heavy machinery and agricultural machinery to medical equipment, electrical material, and portable typewriters. Another section features ceramics, bronze work and miniatures and a third, textiles and haute couture. There is also a display of modern Spanish art and literature.

Forthcoming Fairs

- *20th National Radio and Television Show.* Earls Court, London, September 1-12. Organized by the Radio Industry Council, 59 Russell Square, London, W.C.1.
- *52nd Chemists' Exhibition,* Old Horticultural Hall, London, September 7-10. Organized by The British and Colonial Druggist Ltd., 194/200 Bishopsgate, London, E.C. 2.
- *Flying Display and Exhibition,* Farnborough, England, September 7-13. Organized by Society of British Aircraft Constructors Ltd., 32 Savile Row, London, W.1.
- *Third European Machine Tool Exhibition,* Grand Palais du Centenaire, Brussels, Belgium, September 4-13. Organizing Committee, 17 Rue des Drapiers, Brussels.
- *International Autumn Fair,* Gothenburg, Sweden, September 12-20.
- *Eighth International Preserved Food and Packaging Exhibition,* Parma, Italy, September 12-25.
- *Marseille International Trade Fair,* Marseille, France, September 12-28. Organizing Committee, 36 La Canebière, Marseille.
- *International Pharmaceutical Exhibition,* Paris, France, September 13-20. Organized by International Pharmaceutical Federation, 4 Avenue Ruysdael, Paris 8, France.
- *International Automobile, Cycle and Sports Show,* Paris, France, October 1-11. Organizing Committee, Grand Palais, Porte J, Paris 8, France.

The Showroom in Summer

Two vital, growing Canadian industries share the spotlight in the current display at the Canadian Showroom in Rockefeller Center, New York. The first is the non-ferrous metals industry which exported in 1952 products worth about $707 million, with the United States as the most important customer. The second is the expanding chemical industry, with a total production of over $800 million in 1952 and exports worth $124 million. Some 62 per cent of these exports go to the United States.

The exhibit dramatizes in a telling way the range of products, in both fields, which the main exporters to the U.S. and other foreign markets can supply. The metals display is built around the various representative forms of aluminum, brass, copper, lead, magnesium, nickel, precious metals, and zinc. It also includes fabricated products such as wire cloth, cable, pipes, forms and mouldings. The precious metals display, for example, covers the platinum metals, gold and silver, and shows how they are used in electrical contacts, sparkplugs, etc.

One of the more unusual displays is pressings of brass made by a Canadian company, using a process developed in Europe. These pressings are believed to be the first to be turned out in North America by this new method.

The chemicals exhibit also covers a wide range—from plastics to pharmaceuticals, and from organic chemicals to fungicides and synthetic rubber. Included are many products that come from plants only recently

The photograph shows a part of the non-ferrous metals display at the Canadian Showroom in New York. The arrangement of the many shapes and forms of the various metals made the exhibit most attractive.

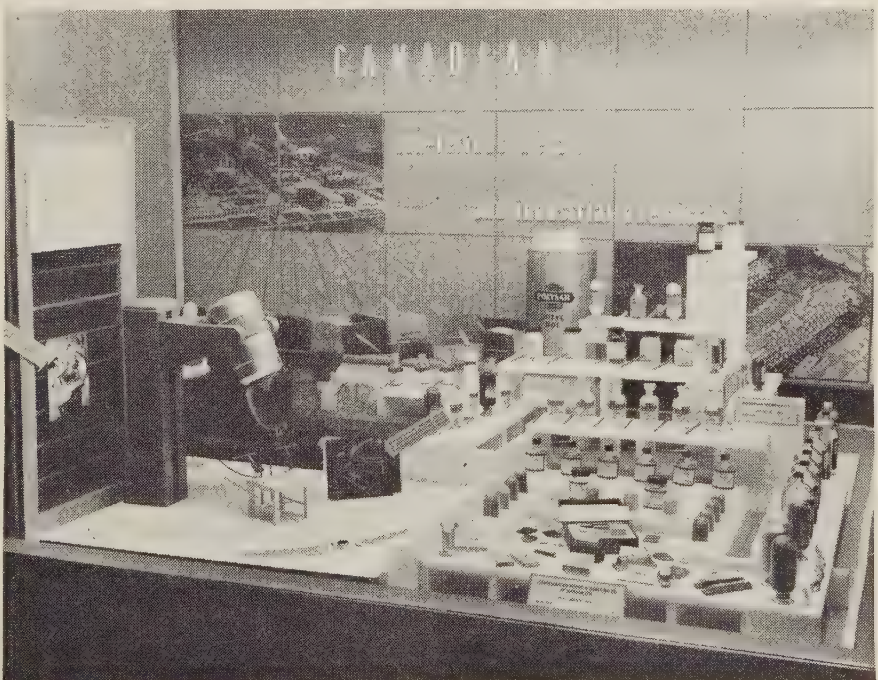
opened, such as acetone, methanol and phenol, formaldehyde, microcrystalline waxes. Antibiotics and fine chemicals also have a place in the display. Probably the most interesting feature, medically speaking, is a model of the "Cobalt bomb", plus photographs showing the bomb being used in the treatment of cancer.

The exhibit, which opened about the middle of July, will run until the end of August.

All about Textiles

Busto Arsizio, 13 miles from Milan, will again be the site of the International Cotton, Rayon and Textile Machinery Exhibition, September 27-October 12. Exhibitors, wholesalers, agents and operators can see at this show the complete cycle of cotton and rayon manufacturing. The exhibition includes both textiles and the machinery to make them, textile chemicals and textile accessories. Meetings and lectures will feature discussions on the technical, commercial and economic aspects of the textile industry.

When this feature last appeared, the dates of the Nova Scotia Fisheries Exhibition at Lunenburg were incorrectly given. The correct dates are September 15-19.



The Cobalt bomb model is well to the front in this picture of the industrial chemicals part of the Showroom exhibit. In the background (left) is a photograph of one of the new chemicals developments.

The Agricultural Machinery Industry

With production twice as great as prewar, with new designs under way, Germany is both supplying growing domestic demand and stepping up her foreign sales.

BONN—The important position of Germany's machine industry, in which 1952 production reached a value of 10 billion Deutsche marks, is well known. Fewer realize that agricultural machinery constitutes the largest main group and accounts for almost 15 per cent of the total value of manufactures. Keeping up this output depends upon the absorptive capacity of the domestic agricultural economy and also upon large and diversified export outlets. The main market is that created by the needs of the two million Western German farms suited to the use of machinery, but this is not the only foundation for the industry. In 1952, more than one-quarter of total production was exported.

Prewar Production Doubled

Annual production has risen constantly up to 1953; the output in terms of physical volume is approximately twice as great as prewar. Greater tractor production accounts for most of the increase but output of other implements and machinery has also gone up. The market is, however, becoming more selective and this suggests that immediate expansion is unlikely. Increased competitiveness and changing market requirements are demanding that manufacturers give greater attention to design. That the manufacturers are capable of meeting this situation seems clear from the varied types displayed at this year's annual agricultural fair, attended by 560 thousand, including 14,000 visitors from 53 countries.

TRACTORS

Year	Production Number (000)	Value (million DM, RM)	Sales— Domestic	(% of total) Export
1938	..	119	89	11
1949	24	250	91	9
1950	52	370	75	25
1951	80	637	68	32
1952	87	821	68	32

FARM IMPLEMENTS

Year	Production Tons (000)	Value (million DM, RM)	Sales— Domestic	(% of total) Export
1936	236	198	91	9
1949	216	407	93	7
1950	212	380	78	22
1951	241	518	75	25
1952	264	676	78	22

Although agricultural machinery imports increased last year, at 16 million DM they still represented less than 4 per cent of the value of exports. Most of the increase was in imports of combines, the production

of which is just gaining impetus in Germany. The incidence of tariff ranges between 10 to 20 per cent for tractors and 10 to 18 per cent for other types of farm machinery.

Potential for Mechanization

Progressive mechanization is regarded as one of the fundamentals in increasing German agricultural efficiency. The medium-sized farms certainly could make greater use of machinery. Almost 60 per cent of German farms have less than 12·5 acres and these cannot usually increase their purchases of machinery, particularly tractors. There are, however, three-quarters of a million farms between 12·5 and 125 acres (representing 71·5 per cent of total acreage) which could use substantially more machinery.

Farmers have been expanding their outlay for new machinery each year, and in this they have been encouraged by limited taxation exemption. The increase in annual income has also helped. In 1952 total machinery purchases exceeded 1 billion DM and represented 12 per cent of cash expenses.

Although there is general agreement that mechanization should be encouraged, farm leaders and government spokesmen have voiced concern over uneconomic investment. This appears directed towards the danger of indebtedness at current high interest rates and of purchasing machinery unsuited to the type and size of farm.

Certain machinery companies have been taking the lead in producing smaller tractor units with adaptable implement carriers. Most other manufacturers of tractors now make smaller models.

The trend towards tractor farming is essentially a postwar development; in 1946 there were 65 thousand in use, now there are 275 thousand. Germany now has a tractor for every 128 acres; the United Kingdom, which has the highest ratio in Europe, has one for every 54 acres. The number of horses has not declined in proportion to increased tractor power, but remains at 1·4 million, compared with an average of 1·54 million during 1935-38.

Current estimates place the saturation for tractors between 400 and 450 thousand, and this point may be reached by 1960. This takes into account some reduction in the annual rate of absorption on the domestic market, which last year reached the unprecedented high of 60,000. This buoyant development in tractor power is expected to mean an expanded market for other power machinery.

Exports and Production

Close to one-quarter of implements have, over the past two years, been exported. This is surprisingly high, considering that prewar exports averaged only about 10 per cent. Then Germany had the additional advantage of its dominant trading connections with the agricultural Balkans as well as Eastern Germany. But the use of tractor power in agriculture has increased throughout the world. In addition, Germany has been able to establish itself successfully in relatively new markets such as South America.

The German agricultural machinery industry, already highly diversified, has been making significant changes in type of machinery to meet the changing demands in home agriculture and compete in world markets.

It is only in the past two years that Germany has emphasized retooling and remodelling of its designs. Some of the more important changes are:

- Smaller-sized tractors.

Germany's 42 firms manufacturing tractors are now producing 124 different models. Two years ago, very few tractors in the 10-12 h.p. size were on the market; now most firms include this size in their production programs.

- Implement carriers.

Two firms have taken the lead in developing tractors with a complete set of adaptable carrier machinery. This new departure is being successfully introduced on the domestic market but also constitutes a major expansion program in such markets as South America.

- Predominance of diesels.

The diesel because it uses less fuel has always formed the basis of the tractor manufacturing program. It has a firmly entrenched position in the European high fuel cost area, and sells well in regions under development in other parts of the world.

- Air-cooled motors.

This technical design, stemming from the German automotive industry, has made considerable headway in the agricultural industry. There is, however, no clear indication of its future position relative to water cooling.

- Combines.

Two years ago, only five types of combine were in initial stages of production. Now there are 15, including those self-propelled and equipped with diesel motors. It will take some time before Germany is producing in quantity. Basically, this development is for the promotion of exports to such predominant potential markets as South America and Turkey. But it also foreshadows limited domestic development.

Prices Decline

Although prices advanced from the outbreak of the Korean war in 1950, the German industry has generally reduced its prices for agricultural machinery since the beginning of 1953. The scale of production and the level of wages seem to promise that Germany will remain strongly competitive in the export market. This is particularly true in areas where North American supplies are limited by the dollar deficit.

Exports in 1952 according to areas
(in per cent)

		Implements	Tractors	Total
Europe		85·1	63·9	71·6
South America		8·3	25·6	19·3
Africa		4·2	6·3	5·6
Asia		1·2	3·2	2·5
Australia		0·5	0·6	0·6
North America		0·7	0·4	0·4
TOTAL	Percentage	100·0	100·0	100·0
	Value (million DM)	149·7	263·4	413·1

Europe, taking well over two-thirds of total exports, is proportionately a more important outlet for machinery than for tractors. Germany figures significantly in the agricultural machinery imports of every European country. The demands of the domestic manufacturing industries (particularly for tractors) in certain European countries, plus balance of payment difficulties, are limiting expansion.

Turkey alone is almost twice as important an outlet for German agricultural machinery as any other single country and has accounted for almost one-fifth of Germany's entire exports of this type. This fact has a strong influence upon the industry's desire to place more emphasis upon Turkey as a source of imports, particularly grains.

Germany has proved a competitive supplier to France, despite tariffs which range up to 30 per cent for tractors. The United Kingdom, however, takes the lead in this market, partly because of the advantages achieved from locating assembly and manufacturing plants in France. In the Scandinavian countries, especially Sweden, Germany has had greater success in the marketing of its tractors than other types of farm machinery.

Development in South America

To the German industry, South America offers the greatest potential for exports. This market has grown steadily and accounted in 1952 for one-fifth of Germany's total value of agricultural machinery exports. Tractor sales predominate; last year they made up 80 per cent of total value.

Argentina and Brazil naturally overshadow all other countries but German machinery and particularly tractors are making their appearance in worthwhile volume throughout all of South America.

Germany expects to increase her South American market for other machinery. As its present technical emphasis on power machinery gives the industry an integrated line of equipment, exporters will find a ready means of increasing implement sales to this area.

Exports to Dollar Area

Germany's dollar drive has gradually increased its exports to North America to the point where these represented 6·8 per cent of the total 1952 exports. Yet less than 0·5 per cent of agricultural machinery exports went to this area last year. Basically this is because Germany is producing machinery more readily adaptable to other economic conditions, such as diesel motors for high fuel cost areas. But it is also more profitable to sell in other areas. Thus only a few specialized lines of equipment will be pushed in North America.

Outlook

The German agricultural machinery industry does not expect its postwar expansion to continue unchecked. It is undergoing consolidation and expects to emerge at levels of production close to the peak of 1952. The present strides towards integrating production, particularly of power machinery, should help to maximize effective market demand and assist in meeting competition. The many firms in the industry and corresponding smaller unit production per firm than in certain other major manufacturers such as the U.K. may be a deterring factor. So far, German export volume only approximates half that of the United Kingdom.

The domestic market is buoyant and offers considerable scope for expanded farm mechanization. Germany's future position in world markets, on the other hand, appears to be governed principally by considerations involving trading patterns. The chances are that the dollar deficit will not be solved over the next few years and this places Germany in a strong position vis-à-vis North American exporters. This will help with sales in many areas where agricultural mechanization is proceeding and from which Germany is obtaining much of its food and other raw materials. On the other hand, the continued tendency towards a heavy creditor position in Europe may place Germany at a disadvantage in the huge market for mechanization in this area.

—W. Van Vliet
Agricultural Secretary for Canada

Chile Creates Trading Body

SANTIAGO—A new government trading organization, Instituto Nacional de Comercio, or INACO, formally created by a decree published on June 1, 1953, is, in essence, a combination of the Instituto de Economia Agricola and the Instituto de Comercio Exterior. Its functions are:

1. To regulate international trade.
2. To assure normal supplies of raw materials and essential goods.
3. To help private companies carry on foreign trade.
4. To organize a trade information service.
5. To develop and regulate increased trade, particularly export trade, without competing with private enterprise.
6. To create a strong domestic market for agricultural products.

The Advisory Council will consist of the Minister of Economy, who will preside, the executive vice-president of the Corporation, the president of the National Foreign Trade Council, and representatives of agriculture, industry, trade, mining, employers and labour.

It is stated that INACO will maintain stocks of essential articles and by constructing refrigeration establishments throughout the country will endeavour to keep traders in country produce from cornering the market.

The Institute is authorized to export all types of Chilean products and one of its principal objectives is pushing foreign sales of products which are difficult to place on the international market.

Imports will be limited to agricultural products and other essential goods in order to maintain the stocks needed to avoid unreasonable price increases. INACO may also import machinery for agriculture and industry. It could also take under its control the copper industry and mining products in general, and absorb part of the work of the State Purchasing Department.

The extension of the services of the Institute to the provinces will offer no problem because it will have at its service the technical staff which previously worked with the Instituto de Economia Agricola.

—M. R. M. Dale
Commercial Secretary for Canada

Commodity Notes

ARGENTINA

Locomotives—A further 25 diesel electric locomotives will be delivered next October by the General Electric Co. to the Argentine railways. Seventy-five locomotives have already been delivered during the past four years, mainly for use on the General Belgrano Railway. Out of a total contract for 26 diesel-Ganz locomotives for the General San Martin railway, 12 were delivered some time ago and a further four in the middle of June, a total of 16 to date—Buenos Aires, July 15.

BRAZIL

Coffee—A decree establishing the minimum prices for the 1952-53 coffee crop has been signed by President Vargas, guaranteeing financing on the basis of US$0·5303 cents per pound or US$70.00 per 60-kilo bag for Santos Type 4—Rio de Janeiro, July 31.

Prefabricated Houses—"Uni-Seco do Brasil S.A." will begin production of prefabricated houses at Sorocaba, State of São Paulo, shortly, it is reported. Patterned after the houses made by an English company, the factory hopes to produce 50 a week initially and to increase production to 200 per week later. The company will be capitalized at Cr$6 million—São Paulo, July 20.

INDIA

Thorium Production—The uranium thorium factory being established at Trombay, an island off Bombay, by the Atomic Energy Commission, is expected to begin operations within the next 12 months. "Cake" left over from the monazite which is used in the extraction of rare earths at the Government's factory at Alwaye, Travancore, and uranium-bearing concentrates from Bihar and other parts of India will be brought to Trombay to extract the uranium. The plant will eventually produce 205 to 228 tons of thorium nitrate a year—New Delhi, July 20.

NEW ZEALAND

Titanium—There are enormous deposits of titaniferous iron-sands in various parts of New Zealand; one deposit alone has been estimated at fifty million tons. Previous attempts to exploit these deposits have failed, due in no small part to the content of titanic acid. Now the

stumbling-block has become the goal, and it is reported that intense research will be carried on into extracting titanium from the sands—Wellington, July 10.

SOUTH AFRICA

Sugar—The sugar cane season now under way in Natal is expected to break records. The first loads of cane were delivered to a mill at Chakas Kraal in May and this month the province's 20 mills and refineries are expected to be in full production. The crop is described as excellent for two reasons—favourable weather and the use of NCO 310, a new type of sugar cane rich in sucrose, developed by the South African Sugar Association's experimental station at Mount Edgecombe—Johannesburg, July 23.

UNITED KINGDOM

Zinc—Following the termination on July 31st of the provisional disposal plan, the Ministry of Materials intends to sell zinc from its remaining stocks (estimated to be 64 thousand tons on August 1st) at the rate of 2,000 tons a month. The present rate is 4,000 tons a month, plus sales by the government broker, who will end his operations at the end of July—London, July 24.

Steel—In the first half of 1953, United Kingdom output of steel amounted to a record 9,037,700 tons, an increase of one million tons as compared with the same period last year—London, July 20.

UNITED STATES

Beef Cattle—Beef cattle slaughter during April and May continued to run at least 40 per cent above the year-ago rate. The U.S. Department of Agriculture estimates that if the January-April rate of cattle slaughter continues throughout the remainder of the year, about 33 million head of cattle and calves will be slaughtered for beef in 1953. Department livestock analysts point out that the normal annual increase (births minus deaths) from the present livestock volume would be somewhere between 35 and 36 million head. Thus, if beef slaughter is maintained at about present rates, total cattle numbers might rise another two or three million head this year—Chicago, Aug. 5.

Pulpwood—A report of the Forest Service, U.S. Department of Agriculture, shows that 12 Southern States cut a total of nearly 14·6 million cords of pulpwood in 1952, more than half the U.S. total of 25 million cords. This pulpwood production in the South was about 4 per cent above the previous year and 17 per cent higher than in 1950.

Georgia was the leading producer in the South with 2·5 million cords, Mississippi second with 1·8 million cords, and Alabama third with 1·6 million cords. Southern production was supplied to 63 pulp mills with a total daily capacity of 26,900 tons—New Orleans, Aug. 4.

India Expands Her Fisheries

Better methods of deep-sea fishing, a survey of fishing conditions, and expansion of cold storage plants are all part of a long-term plan to increase the annual yield of the fisheries industry.

BOMBAY—Experiments in deep-sea fishing carried out by the Government of India off the West Coast, and by the West Bengal Government in the Bay of Bengal, indicate that this type of fishing on a commercial basis is economically feasible, and can contribute substantially to the country's food resources. A 250-ton Japanese trawler brought in by the Indian Government for exploratory work in the Arabian Sea made a record catch this season and completed operations with a net profit. Now that the financial soundness of the venture has been demonstrated, the Government hopes that Indian private enterprise will be encouraged to enter the field on its own or in collaboration with Japanese fishing interests.

Gathering Data

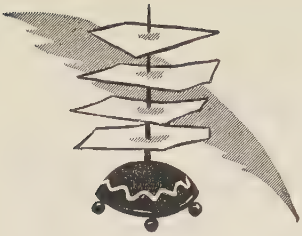
To gather information on fishing conditions off the West Coast—such as the types and numbers of fish available at different seasons, the depths at which they are found, and the kind of equipment required to catch them—and to train fishermen in the proper techniques, the Deep-Sea Fishing Station at Bombay is employing two 100-ton trawlers to drag the ocean bed and two smaller "reckie" boats for surface and mid-water fishing. On the average, 75 per cent of the catch made by the trawlers, operating mainly within the 40-fathom limit, consisted of fish of high food value, including dara, ghol, mullets, pomfret and eels. The results of the surface and mid-water fishing have been less successful, largely because of inexperience, and the Government has arranged to bring a master fisherman from the United Kingdom to supervise operations during the coming season.

The catches made in the Bay of Bengal by two trawlers purchased from Denmark by the West Bengal Government were also encouraging. The trawlers were manned by Danish crews who will eventually be replaced by Indians. The three Japanese bull-trawlers which the West Bengal and Indian Government will soon acquire in partnership will materially expand exploration in the waters off the East Coast.

Building Storage Plants

Two new cold storage plants similar to the large Central Government facilities already in operation in Bombay are being built by the Madras Government at the West Coast ports of Mangalore and Calicut. Work is also progressing on ten small ice factories and cold storage plants which are being built with foreign assistance in the states of Saurashtra, Bombay, Cochin, Madras and Orissa.

—W. P. Birmingham
Acting Commercial Secretary for Canada



General Notes

AUSTRALIA

Hydro-Electric Project—The Federal Government is beginning the second stage of the Snowy Mountains hydro-electric scheme, the biggest construction job ever undertaken in Australia. The cost of the work will be £46·5 million, spread over the next five years, and the total cost by 1961 will be £58·6 million. When finished, the project is expected to save the community £20 million a year for power, and four million tons of coal. The government is calling for tenders for the work in Australia, North America, Britain and Europe.

The project will also greatly augment Australia's food-producing capacity. The Minister for National Development said that water from the new project would by 1960 allow 2,500 more irrigation farms to be established in the Murumbidgee Valley. This would give a total irrigated area of about 200 thousand acres, supporting a farming population of about 200 thousand and producing about £6 million worth of food a year—Sydney, July 20.

BRAZIL

Penicillin Manufacture—Squibb do Brasil expects to open its new factory in Santo Amaro, State of São Paulo, early in 1954. Initially the factory will produce one and a half trillion units of penicillin a month, more than half of the country's requirements, making Brazil the largest producer of penicillin in the world after the United States. Penicillin output can be increased to three trillion units later, Squibb officials said—Sao Paulo, July 15.

COLOMBIA

Gold Sales—On July 22, the Government of Colombia decreed that henceforth anyone can buy and sell gold within the Republic or ship it abroad. This reverses previous legislation requiring all gold to be sold to the country's central bank, and it also removes the 15 per cent sales tax, 2.50 pesos, on each tray ounce of gold mined. In August 1952, to encourage the sale of manufactures of gold abroad, permission was granted to import certain goods on the prohibited list with the foreign exchange thus earned. This privilege is now cancelled—Bogota, July 25.

ITALY

Textile Industries—Italian woollen mills in 1952 worked at about only 80 per cent of capacity. This resulted largely—especially in the pure wool products field—from the substantial decrease in exports in the first nine months of the year as compared with 1951. The position

would have been considerably worse but for the increased activity, particularly for woollen yarns and textiles generally, on the domestic market. Only 515 tons of yarns were exported in 1952, as compared with 1,941 in 1951, and 5,948 tons of textiles as against 10,035 tons in the previous year. A promotion campaign for the entire industry now under way will extend into the autumn, and the trade anticipates increases in both production and consumption—Rome, July 22.

MALAYA

Rubber Grading Enforced—The Governments of Singapore and the Federation of Malaya have set up the Malayan Rubber Export Registration Board to carry out new legislation governing the packing and grading of rubber. Natural rubber, like lumber or grain, is a difficult commodity to grade accurately and minor deviations from contract specifications are practically unavoidable. Under today's highly competitive conditions, and faced with competition from synthetic rubber which is manufactured to specification, it is essential for the Malayan industry to maintain a good reputation among its overseas customers.

Under the Rubber Shipping and Packing Ordinance, all exporters must register with the Board and abide by the Board's rules and regulations. These rules prescribe in considerable detail the conditions under which rubber may be packed and shipped from Malaya. The Board is vested with wide powers to punish firms that contravene the rules by cancelling their licences or by fines, or both. Unscrupulous traders who pack and ship rubber knowing that it is not the grade which it is purported to be are the chief targets for the Board's activities.

In the six months of the Board's operations, special representatives have been sent overseas twice to conduct investigations on the spot, but in general the threat of action by the Board has proved sufficient to stop most malpractices—Singapore, July 8.

PORTUGAL

Douro Dam—Under the hydro-electric power stations scheme, totalling \$60 million Canadian, included by the Portuguese Government in its Six-Year Development Plan, the construction of the first dam on the River Douro is projected during this year.

It is calculated that it will cost \$16·5 million Canadian and power production will be about 400 million kwh. Four dams have already been built in Portugal in the last four years—Lisbon, July 30.

UNITED STATES

Retail Sales—The volume of retail sales in the Detroit area for the first quarter of 1953 topped all previous records for the same period. Sales in the first quarter amounted to \$937 million, 16·4 per cent higher than the same period last year and 8·3 per cent higher than the scare-buying first quarter of 1951, the previous high point in first-quarter sales. More than 20 per cent of all retail sales in Detroit for the first half of the year consisted of automobiles or automobile accessories—Detroit, Aug. 15.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Saint John—August 21-25
Toronto—August 28-September 5
Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11
Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Montreal—August 31-September 4
Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began the second part of his Canadian tour in Halifax, August 3-4. His itinerary is:

Winnipeg—August 25-26
Vancouver—August 29-September 4

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Montreal—August 17-26
Toronto—August 27-September 4
Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Hamilton—August 24-25
Victoria—August 31
Vancouver—September 1-3
Calgary—September 4
Edmonton—September 5
Saskatoon—September 7
Winnipeg—September 9

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Winnipeg—August 24-26
Regina—August 27
Calgary—August 28
Edmonton—August 29-31
Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Saskatoon, Brantford, Guelph, Montreal, Saint John, Sydney and Halifax; the Chamber of Commerce in Calgary, Regina, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston, Brockville, Arvida, Chicoutimi, Rimouski, Shawinigan and Three Rivers; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; the Dept. of Industry and Development in Fredericton (295 Queen St.); and the Department of Trade and Commerce in Ottawa, Vancouver (355 Burrard St.) and St. John's (Stott Bldg.).

Trade and Tariff Regulations

CUBA

Two Documentation Requirements Suspended—A Cuban decree of August 7 suspended until further notice the enforcement of the requirements that Canadian exports to Cuba be covered by a copy of the B-13 form. This requirement had previously been suspended until August 10, 1953.

The Cuban authorities also announced on August 12 that Section 5 of Decree No. 890 has been suspended until further notice. This regulation required Cuban consuls to demand additional invoices or bills of sale issued by the last intermediary when the consular invoices covering exports to Cuba were presented for legalization by freight forwarders, jobbers, middlemen or dealers. This requirement did not apply to shipments by the original producer or manufacturer of the goods—Ottawa, August 14.

GUATEMALA

Consular Fees—Effective July 24th, the Guatemalan consular fees of 6 per cent on the value of merchandise imports will henceforth be calculated on c.i.f. rather than f.o.b. values. As before, these fees will be collected from the importer at the time of payment of customs duties. Commercial invoices for shipments to Guatemala must show the packing, freight, and insurance costs separately, as well as the original and c.i.f. values. If these details are not shown, a fine applies which in effect raises the consular fees to 7 per cent. All shipments will be subject to the collection of consular fees, the minimum being 30 cents on goods or samples valued at $5.00 or less c.i.f.

IRELAND

Imports of Hose, Woven Tissues—By two Orders issued under the Control of Imports Acts, 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas as follows:

- Hose (other than half-hose) of silk or artificial silk, 200 thousand pairs, as against similar amount for previous quota.
- Certain woven tissues of wool or worsted and certain artificial silk piece goods, 300 thousand sq. yd. as against 200 thousand sq. yd. for previous quota.

The new quota period covering these items extends from September 1, 1953, to February 28, 1954—Dublin, August 6.

UNITED KINGDOM

Import Arrangements for Starch and Glucose—Following upon the recent government announcement on the decontrol of starch, starch preparations and glucose from September 28, 1953, details of the import arrangements under private account are now released. The products which will be imported privately are maize starch, farina (potato starch), dextrine and glucose; the arrangements do not apply to custard, blanc-mange, and dessert powder sweetened nor to sweetened cornflour.

Only imports of maize starch and powdered anhydrate glucose will be permitted from dollar sources. Licences for maize starch will be related to the applicant's imports on and after September 28, 1953, of both maize starch and farina from non-dollar sources. Applications to import very limited quantities of powdered anhydrate glucose will be considered, subject to the applicant's undertaking that it will be disposed of solely for medical use.

UNITED STATES

Tariff Classification of Certain Catalysts—The U.S. Bureau of Customs has placed the following notice in the *Federal Register*, issue of August 5, 1953:

"The Bureau by its letter to the acting collector of customs at New York, New York, dated July 31, 1953, ruled that catalysts consisting of mixtures composed primarily of nickel oxide and earthy material, or iron and aluminum silicates and oxides, lead oxide, and zinc oxide are properly classifiable as articles or wares composed wholly or in chief value of mineral substances, not decorated, under paragraph 214, Tariff Act of 1930, following T. Ds. 33858 and 49202.

"As this ruling will result in the assessment of duty at a higher rate than has heretofore been assessed under an established and uniform practice, it shall be applied to such or similar merchandise only when entered, or withdrawn from warehouse, for consumption after 90 days from the date of publication of an abstract of this decision in a forthcoming issue of the weekly Treasury Decisions."

(Under tariff paragraph 214, imports of the catalyst materials enumerated above will be subject to a duty of 15 per cent ad valorem.)

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·0117.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Aug. 13*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1317	
		Basic buying	·1977	
		Preferential selling	·1977	(1)
		Basic selling	·1317	
		Free	·07115	
Austria	Schilling		·03802	
Australia	Pound		2·2275	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01978	
Bolivia	Boliviano	Official	·00520	
British West Indies	Dollar		·5801	(3)
	Pound		2·7844	(4)
	Dollar	Brit. Honduras	·6960	
Brazil	Cruzeiro	Official	·05343	tax 8%
		Free	·02526	(2)
Burma	Kyat		·2088	
Ceylon	Rupee		·2088	
Chile	Peso	Official	·00898	(1)
Colombia	Peso	Basic	·3954	tax 3% (2)
Costa Rica	Colon	Official	·1760	(5)
		Controlled Free	·1488	*
Cuba	Peso		·9884	tax 2%
Czechoslovakia	Koruna		·1373	
Denmark	Krone		·1431	
Dominican Republic	Peso		·9884	
Ecuador	Sucre	Official	·06590	(6)
		Free	·05687	
Egypt	Pound		2·8384	
Fiji	Pound		2·5084	
Finland	Markka		·00430	
France	Franc		·00282	
French Africa	Franc		·00565	
French Pacific	Franc		·01553	
Germany	D Mark		·2353	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9884	
Haiti	Gourde		·1977	
Honduras	Lempira		·4942	
Hong Kong	Dollar	Free	·1645	*July 31
Iceland	Krona	Official	·06069	
		Special buying	·04673	
		Special selling	·03765	
India	Rupee		·2088	
Indonesia	Rupiah	Basic	·08670	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Aug. 13	Notes (See below)
Iran	Rial	Official	·03065	*
		Certificate	·00986	*
Iraq	Dinar		2·7676	
Ireland	Pound		2·7844	
Israel	Pound	Basic	2·7676	
		Special	1·3838	
		Investment	·9884	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·2953	
Mexico	Peso		·1143	
Netherlands	Guilder		·2601	
Netherlands Antilles	Guilder		·5241	
New Zealand	Pound		2·7844	
Nicaragua	Cordoba	Effective buying	·1497	(8)
		Official selling	·1402	
		With Surcharge I	·1227	
		With Surcharge II	·09835	
Norway	Krone		·1384	
Pakistan	Rupee		·2988	
Panama	Balboa		·9884	
Paraguay	Guarani	Basic	·06590	(1)
		With Surcharge I	·04706	(9)
		With Surcharge II	·03294	
Peru	Sol	Certificate	·06064	
Philippines	Peso		·4942	tax 17% (2)
Portugal	Escudo		·03449	
El Salvador	Colon		·3954	
Singapore & Malaya	Straits dollar		·3248	
South Africa (Union of)	Pound		2·7844	
Spain & Dependencies	Peseta	Basic buying	·04513	
		Basic selling	·08809	
		Basic commercial selling.	·06017	(1)
		Free	·02509	
Sweden	Krona		·1911	
Switzerland	Franc		·2307	
Syria	Pound	Free	·2783	*July 15
Thailand	Baht	Official	·07907	(1)
		Free	·05647	*June 30
Turkey	Lira		·3530	
United Kingdom	Pound		2·7844	
United States	Dollar		·9884	
Uruguay	Peso	Official	·6507	
		Basic buying	·5553	
		Special buying	·4206	(1)
		Basic selling	·5202	
		Special selling	·4034	
Venezuela	Bolivar		·2951	(10)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

In the market for a magic carpet?

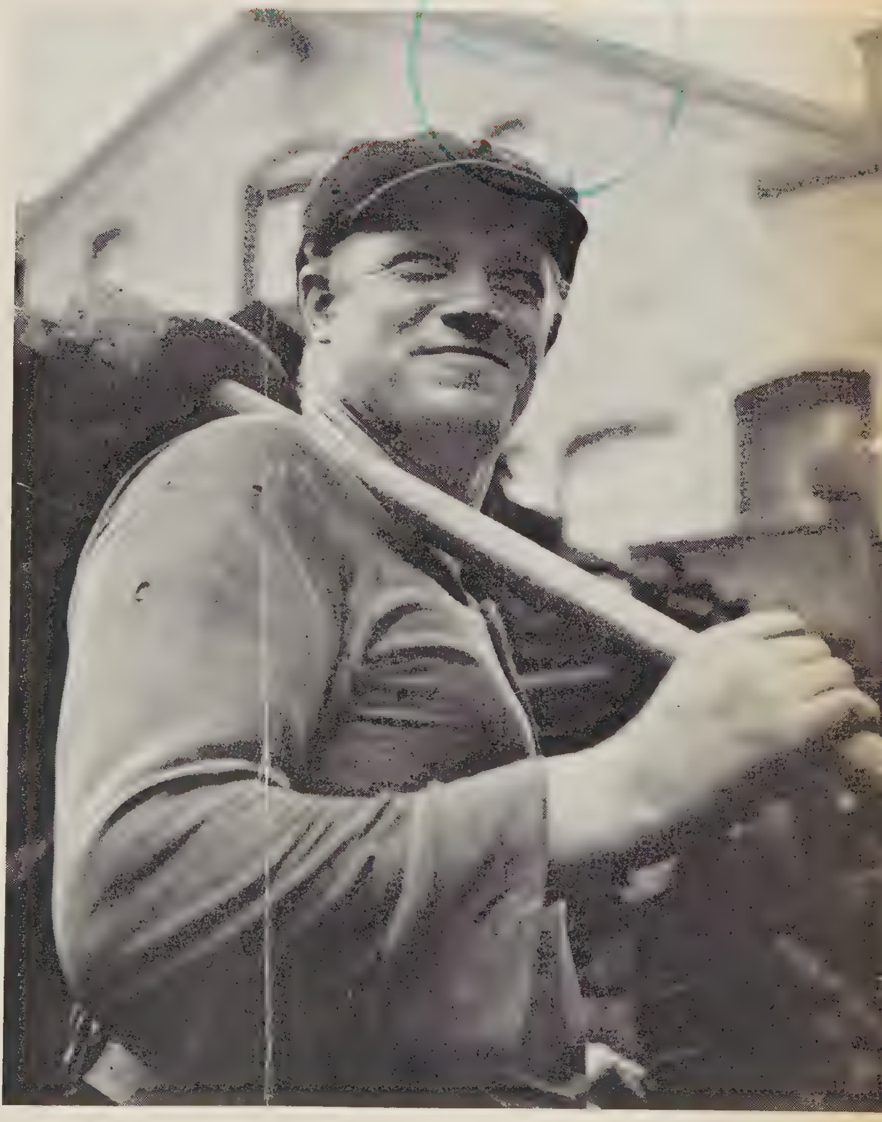
rince Ahmed found it useful to have one. According to the ory in the Thousand and One Nights, *whenever he wanted to* avel he merely jumped on his magic 9 by 12 and was transported *comfort to his destination. Just the thing for the office-bound* isinessman.*

There are interesting developments in Brussels . . . I wonder I could sell in Boston . . . what are the possibilities in ogota?" *If only you could be there in a flash to see for yourself.* ut no store stocks magic carpets—they belong to story books.*

nd let's leave them in story books—we have a better brand of agic. We bring Brussels and Boston and Bogota to you—right *your desk.* FOREIGN TRADE *is our medium, and in it you'll find reports from Canadian Trade Commissioners on a thousand and one subjects, many of vital interest to you.*

foreign trade

AUGUST 29, 1953



Denmark Alters Its Trading Pattern (page 2)

foreign trade

)L. 14 OTTAWA, AUGUST 29, 1953 NO. 348

. . . This cheerful- Dane, on his way to becoming more typi- the Danish economy. nation of farmers, turing is making head- industrial exports ing more largely in export trade. (See page two.)
ourtesy Royal Danish on.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Denmark Alters Its Trading Pattern

The past fifteen years have seen the export emphasis change from agricultural to manufactured products, and Danish goods going to a wider range of foreign markets.

OSLO—At the beginning of this century, agricultural products in their primary state accounted for about 90 per cent of total Danish exports and up to 1914, practically all exports went to two foreign markets—the United Kingdom and Germany. Today the position is vastly changed. The United Kingdom and Germany remain Denmark's most important customers but they absorb only about half of total exports. Moreover, Danish exports of agricultural produce now represent only 60 per cent of the total (instead of the former 90 per cent) and the remaining 40 per cent consists of the products of manufacturing industries.

Emphasis on Quality

This change is all the more remarkable because the country possesses hardly any raw materials. Its manufactured products are based on coal, oil, iron, steel and other metals, raw textiles and so on, all of which have to be imported. Moreover, as a small country, both in size (17,110 square miles) and population (4·2 million), Denmark must exchange many goods with foreign countries, if its industries are to produce on a scale to compete with foreign manufacturers for whose products there is a large domestic market.

Despite these handicaps, by placing the emphasis—both in agriculture and in manufacturing industries—on highly finished and quality products, the Danes, with their technical skill and commercial enterprise, have succeeded in spreading their export trade over an ever-widening range of goods. These in turn are finding their way into an increasing number of foreign markets. Supporting this policy is the Danish merchant fleet, which plays an important role as an earner of foreign exchange.

From Agriculture to Industry

The development of industrial as opposed to agricultural exports in recent years reflects the steadily increasing industrialization of the Danish economy. Increased use of machinery and greater efficiency in the agricultural industries have stepped up their productive capacity and have also diverted labour from agriculture to other forms of activity. Before World War I, Denmark was a typical farming country. Today industry and trade employ more people than farming does.

The following table compares exports of industrial products for 1938 with 1952 and shows clearly the change which has taken place over the last 15 years.

EXPORT OF INDUSTRIAL PRODUCTS

(in million kroner)

	1938	1952
Machinery, equipment, locomotives	59·2	444·7
Canned meat	16·0	229·0
Miscellaneous iron and metal products	25·1	188·8
Condensed milk, milk powder	13·1	149·6
Ships, new (including wooden ships)	69·1	127·0
Electrical appliances, cables, batteries, radios, etc.	11·1	125·7
Sugar, molasses	3·7	84·7
Medicinal and pharmaceutical products	9·1	59·6
Animal and vegetable oils and fats	44·8	59·5
Cement	5·6	49·6
Beer, liquor, beverages	4·8	49·0
Ships (not new)	5·2	44·8
Chocolate, confectionery, sugar products	0·4	42·6
Dry goods (other)	5·4	40·7
Malt	2·3	35·7
Clothing, footwear, gloves, hats	3·8	35·4
Wood, wood products	7·0	34·6
Paints, lacquers, soap, perfumes	5·2	30·1
Flour, oats, biscuits, prepared cereals	2·7	25·2
Automobiles, vehicles, bicycles	31·7	22·7
Cordage, fishing nets, rubber and balata belting	1·3	21·5
Fish preparations	0·6	21·3
Blood albumen, casein	0·9	10·6
China, faience	1·6	10·0
Silver-, gold- and electroplate	3·9	8·8
Knitting wool, woollen yarns	1·0	6·9
Rubber footwear, rubber articles	0·5	5·3
All other industrial products	48·5	224·0
Total	383·6	2,187·4

Detailed statistics for 1952 showing destination of exports are not yet available, but a study of the figures for 1951 shows that Danish industrial exports, which were valued at 2,250 million kroner, were widely distributed. Sales were made not only to neighbouring European countries but also to far distant markets in North and South America, the Far East and the Antipodes, as the summary below indicates.

This elderly farm woman, wife of a smallholder in central Jutland, Denmark, is pumping water for household use. Time was when the farms provided 90 per cent of Denmark's exports but the trend is changing.

INDUSTRIAL EXPORTS—1951

Destinations (Europe)	Value (million kroner)
United Kingdom	490·0
Sweden	228·4
Norway	219·3
Finland	176·5
Poland	96·4
Western Germany	92·4
France	85·9
Netherlands	49·9
Spain	27·7
Belgium-Luxembourg	25·0
All other European countries	150·0
	1,641·5
Destinations (All Other Areas)	
Greenland and Faroe Islands	67·3
United States	78·2
Rest of North and South America	215·6
Asia (including Burma, India, Pakistan, Siam, Indonesia, Indo-China, British Malaya and other British dependencies)	148·5
Africa (including French North Africa, Congo, British East and West African Territories, Union of South Africa and Egypt)	84·7
Australia	14·8
Total	2,250·6

Processed foodstuffs, technical equipment (including diesel engines, dairy machinery and machine tools) electrical appliances, vegetable and animal oils, and medicinal products are among the most important exports to Denmark's best foreign customer, the United Kingdom. Fifty per cent of exports to the Scandinavian countries—Norway, Sweden, Finland and Iceland—represent machinery, semi-manufactured metal goods and transportation equipment. The Danish metal industries provide about 70 per cent of industrial exports to France, Belgium, Luxembourg and the Netherlands, although these markets also take substantial quantities of beer, medicinal products, and paints and lacquers. Trade with Portugal, Spain and Italy follows a similar pattern.

The most important items shipped to the United States are processed foods, liquors and beverages, technical equipment, fine textiles, furniture and handicrafts. Exports to Canada are somewhat similar; the foodstuffs group predominates among exports to the Latin American markets.

Capital goods, such as machinery and technical equipment, are outstanding among Danish exports to the countries of the Far East, many of which are striving to industrialize their economies. Trade with the British, French and Belgian territories in Africa is largely confined to such consumer goods as canned foods, beverages and medicinal products.

Two Outstanding Features

This brief summary is intended to point up two important features of Danish industrial export trade as it flows today—its wide variety and its spread over a great number of both European and overseas markets. These two features are of great moment to the national economy because exports of farm products, which constitute 60 per cent of total exports, are concentrated on a few main items such as butter, bacon, eggs and cheese and go largely to a single market—the United Kingdom. The range of Danish industrial products and their wide distribution offsets this dependence and should act as a stabilizing influence when the British market for Danish farm produce is depressed.

Possibilities for the future development of industrial exports and for further industrialization are comparatively favourable, but there is a cloud on the horizon. Denmark, like Canada, is largely dependent upon a flourishing foreign trade. She is traditionally a free trade country and her tariffs are the lowest in the world today. At international tariff conferences since the war, Danish delegations have consistently advocated the view that tariffs should be stabilized at the lowest possible level and that customs procedures should be simplified. She has pursued during recent years a policy of trade liberalization which has opened her home market to foreign competition. It is therefore easy to see why she views with misgiving the maintenance in some countries of tariffs which Danish exporters find extremely high if not prohibitive.

—J. L. Mutter
Commercial Secretary for Canada

Softwoods in the South

NEW ORLEANS—Statistics for the first six months of 1953 show that production, shipments and orders in United States softwoods were well sustained in comparison with 1952. Building interest was strong in most areas, except the Southern and certain Central Atlantic States.

The persistent reports that building interest is slackening in the South led this office to make a quick check on what is happening among leading lumber wholesalers in the South who deal in Northwest and Canadian softwoods.

These wholesalers report an easing in prices compared with last year and most of them say that the general volume of business is tending to decline. Competition is keener. It is surprising, however, that these same wholesalers report an increasing demand for Douglas fir dimension stock. As one firm puts it, the demand has tended to increase over the years and is continuing to do so.

On the other hand, the situation in the less widely known hemlock and western white spruce is confused. Hemlock sales appear to be continuing on a modest scale; sales of western white spruce are few. There is some demand for cedar.

Most firms spoke highly of their dealings with Canadian firms. In one case, however, it was pointed out that lumber, like any other merchandise, must be sold up to grade and be well packaged (i.e., properly loaded on the cars so that it will not shift in transit) if sales are to increase.

There is some suggestion that the keener competition in the United States market will lead to a demand for a greater percentage of kiln dried lumber.

—G. A. Newman
Consul of Canada and Trade Commissioner

United States

The Customs Simplification Act

Businessmen here have a keen interest in this bill to simplify customs procedures, which will take effect on September 8. Our Washington office explains the sections which will be of greatest interest to Canadians.

WASHINGTON—The President of the United States approved on August 8, HR 5877, a bill to amend certain administrative provisions of the Tariff Act of 1930. The bill is intended to eliminate some unnecessary annoyances and inequities which have troubled both the U.S. Customs and firms in the export-import business and will save time, money, and complications in the administration of U.S. Customs laws.

Of the bill's 25 sections modernizing procedures which have remained essentially unchanged since 1938, those of chief interest to Canadian business are summarized below:

• *Section 2.—Repeal of obsolete accounting provisions*—Liquidation of duties was formerly not possible until the Comptroller of Customs had verified the duty assessment. At individual ports of entry, this not infrequently delayed for some time the final closing of an account for the payment of duties. The requiring of this Comptroller's verification on all dutiable entries, whether or not money was involved, is now repealed and a selective examination system is to be installed.

• *Section 3.—Effective dates of rates of duty*—Goods moving through Customs occasionally are subject, because of trade agreements, Congressional action and Customs Court decisions, to changes in rates of duty. In the past there has been considerable litigation over whether and when such goods were affected by the new rate, the determining factor being the time of entry.

The new amendment now specifies that goods are "entered" when consumption entry or withdrawal documents and estimated duties have been deposited in accordance with regulations.

For merchandise in bond, the duty rate is that in effect when the entry for immediate transportation is accepted by the collector at the port of importation.

• *Section 4.—Marking*—Requirements for special marking with the name of maker and country of origin of a long list of goods are eliminated. These goods include knives and forks, scissors, and surgical and scientific instruments.

• *Section 5.—Procedure for customs examination of certain commodities*—That part of the Act which required specific locations and

methods for the sampling and analysis of lead and zinc-bearing ores, which could mean unwarranted inconvenience and expense to importers, is repealed.

• *Section 8.—Free entry provisions for travellers*—The previous free-entry provision, under paragraph 1798, good for six months, for import of automobiles, trailers, aircraft, etc., and similar instruments of transportation is extended to one year.

• *Section 10.—Temporary free entry for samples and other articles under bond*—Section 308, providing for the temporary free entry of certain enumerated articles under bond for re-export within six months, is amended to provide for an original bond for one year, which can be extended to three years.

Section 308(4), providing for temporary free importation for experimental purposes, is expanded to include blueprints, plans, specifications and other similar articles.

Section 308(7), providing for the temporary free entry of containers for compressed gases, is expanded to include containers and other articles such as reels, etc., when used to cover or hold merchandise during transportation and which are suitable for re-use for that purpose. The value of such container would not be included in the determination of the value of its contents under Section 402.

Animals and poultry for prize competition, exhibition or breeding purposes and usual equipment therefor; theatrical effects and works of art; philosophical and scientific apparatus for use in exhibition and in illustration, promotion, and encouragement of art, science, and industry, are granted the longer bonded free entry under Section 308.

• *Section 11.—Supplies and equipment for vessels and aircraft*—The exemption from duty and internal revenue taxes now available for supplies used in the maintenance and repair of aircraft is extended to foreign ships.

• *Section 13.—Administrative exemptions*—Articles not over $10 in value sent as bona fide gifts to persons inside the United States may be permitted free entry.

• *Section 16.—Certified invoices and entry of merchandise*—The period for filing entry documents for imported merchandise is extended from 48 hours to five days, exclusive of Sundays and holidays, after arrival of the importing vessel or vehicle.

This section gives authority to the Secretary of the Treasury to revise the present mandatory requirement for certified (consular) invoices, and to require them only where they serve a useful purpose and, if feasible, to eliminate them entirely. After due study it is expected that the Bureau of Customs will issue new regulations on requirements for certified invoices.

The $100 limit for informal entry (i.e., not requiring a certified invoice) is raised to $250.

• *Section 18.—Amendment of entries*—Penalties for technical undervaluation of merchandise by the importer are eliminated. Technical under-valuation refers to the submission by an importer of a value for his merchandise, with no intent to defraud, that turns out to be lower than the value fixed by the customs appraiser.

76496—3

Similarly, should the appraiser now fix a value for duty purposes on goods lower than that entered for them by the importer, the importer is no longer bound to pay duties on his entered—and higher—value.

Formerly, if the importer fixed too low a figure an under-valuation penalty was levied. But if, to be on the safe side, he fixed the value too high, he could not benefit from the final appraisement.

- *Section 20.—Correction of errors and mistakes*—Importers are now authorized under certain conditions to correct clerical errors in their entries.

The complete text of H.R. 5877 as passed by Congress and enacted as Public Law 243, explaining the intent of the amendments and showing the changes thus made in the text of the Tariff Act, is given in Senate Report No. 632, 83rd Congress, 1st Session, dated July 24. Copies may be obtained from the Commercial Counsellor, Canadian Embassy, Washington. Amendments will take effect thirty days after signing, i.e., September 8, 1953.

—G. A. BROWNE
Commercial Secretary for Canada

France Produces More Power

PARIS—The production of electrical energy in France during 1952, at 40·8 billion kwh., was over 6 per cent higher than during the previous year, and 67 per cent more than the power output of 1946, the first post-war year. Of this, 22·45 billion kwh. was produced from hydro-electric stations and 18·35 billion from thermal generators. This compares with Canadian production of 56·5 billion kwh.

Hydro-Electric Power

The development of waterpower resources which has been taking place since the war continued during 1952, when 17 new power plants came into operation. Installed capacity at the end of the year totalled about 25 billion kwh., or 182 per cent of the 1946 capacity. The distribution of the new plants is as follows:

New Hydro-Electric Power Stations, 1952

Area	No. of stations	Capacity (000 kwh.)	Average annual production capacity (million kwh.)
Rhine Valley	1	72·0	500
Alps	4	144·0	612
Pyrenees	3	39·9	122
Massif Central	7	329·0	744
Rhône Valley	2	163·0	1,180
Total	17	747·9	3,158

The storage capacity of water reservoirs for seasonal production was also increased during the year to give additional water reserves capable of producing 2·8 billion kwh., 46 per cent over previous storage capacity.

The capacity of the thermal power stations is also being stepped up and, at the end of 1952, the total installed capacity amounted to 7·1 million kilowatts, compared with 6·6 million a year earlier. The industry not only installed eleven new thermal generating plants during 1952 but is making continuing efforts to use unsaleable grades of coal from the mines and waste gases from the iron and steel industry. These policies resulted in a reduction of 4 per cent in the use of merchantable coal in 1952, in spite of a higher electrical production.

French Thermal Power Stations Put into Service in 1952

Area	No. of stations	Capacity (000 kwh.)
North	2	160·0
East	4	180·0
West	2	69·5
Paris Region	1	38·0
Central France	2	35·0
Total	11	482·5

The household use of electric power has not progressed nearly as far in France as in North America, partly because of the relatively higher cost of the current and of domestic appliances. In fact, households consume 100 kwh. per person a year. Over 70 per cent of the power produced is used by industry, according to the following table:

Utilization of Electric Power, 1952

Industry	9	
Chemical, mines metallurgical industries	15	
Ferrous industries	9	
Transportation	5	
Other	33	
		71
Domestic		29
		100

Long-Term Development

When most electric power producing and distributing companies were nationalized in 1946 and grouped into "l'Electricite de France", the new company was faced with ever-increasing demands for power—which almost doubled during the next six years. A long-term plan of expansion of both hydro-electric and thermal generating capacities was instituted, financed partly by the State in the form of loans from the "Modernization and Equipment Funds" (Monnet Plan), in part by public borrowing, and to a very small degree by re-investment of profits. From 1946 to 1952, the consumption of electricity increased from 24·4 billion to 40·8 billion kwh.

Among the more colourful works undertaken was the electrification of the Rhone River valley which, when finished, will furnish 14 billion kwh.; the construction of an underground, bombproof thermal generating station at Brest, and the installation at Herserange (Moselle) of a plant which uses waste gases from 17 blast furnaces.

Since early 1950, production has kept pace with a mounting demand. It thus seems probable that, with the continuing electrification of industry and of rural areas, and an expected increase in individual consumption, continued expansion of French generating equipment will be necessary.

—J. H. Stone

Assistant Commercial Secretary for Canada

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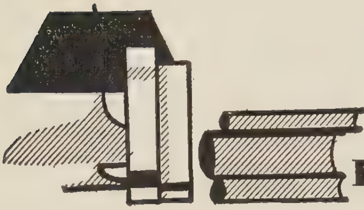


Businessman's Bookshelf

Manual of the Textile Industry, 1953

By Canadian Textile Journal, 278 pages. $2.00.

IN ADDITION TO THE CUSTOMARY SURVEY of the textile industry in 1952, this 25th anniversary edition of the *Manual* carries an interesting analysis of the growth of the Canadian market for textiles in the past quarter century. Other special features include a study of modern merchandising as applied to textiles, and a discussion of textile mill labour problems in the current year.

Order from: Canadian Textile Journal, 223 Victoria Ave., Montreal, Quebec.

Review of Foreign Trade, 1952

International Trade Division, Dominion Bureau of Statistics. 89 pages. 75 cents.

THE GENERAL READER who feels the need for expert interpretation of Canadian trade statistics should find this semi-annual series invaluable. Part one discusses the leading trade developments in 1953; analyzes trade with the United States, the United Kingdom, and the ten other leading countries in Canadian trade; dissects the statistics by principal trading areas, and examines the structure of our trade. Part two presents detailed statistical tables.

Order from: Dominion Bureau of Statistics, Ottawa, Ontario.

Aluminium Panorama

By Aluminium Limited. 126 pages. Free.

WHEN ALUMINIUM LIMITED was formed in Canada in 1928, the world was producing only 250 thousand tons of this metal. Today, production in the free world alone has reached over 1·7 million tons. The story of Aluminium Ltd.'s part in this spectacular growth is told in this handsome publication put out to mark the company's 25th anniversary.

Successive chapters tell how and where the raw materials are gathered; how the power is generated to transform those materials into the primary metal; how pigs, ingots or billets are shaped into literally

thousands of products; how the marketing is carried on. More than 40,000 people in 20 countries are today associated with this Canadian company—and they have their part in this story of a far-reaching business.

Limited number of copies available to interested readers who write to Aluminium Limited, P.O. Box 6090, Montreal, Quebec.

Canadian Trade Index, 1953

Canadian Manufacturers' Association. 1,170 pages. $7.50.

SINCE THE TURN OF THE CENTURY, this index to Canadian manufacturers and their products has made its annual appearance, and it has never failed to keep in step with the times. This edition, for example, carries a new section which reviews the great industrial growth in Canada in the past few years. The 10,000 manufacturers included in the Index are both listed by company name and classified under products—and a star distinguishes those engaged in or anxious to develop export trade. A special export section gives useful information on export aids and procedures. The regular edition includes a French cross-reference index to the directory of products, and a limited edition has Spanish and Portuguese indexes.

Order from: Canadian Manufacturers' Association, 67 Yonge Street, Toronto, Ontario.

Colombia: a General Survey

By W. O. Galbraith. Royal Institute of International Affairs. 136 pages. 13 shillings.

TO REVIEW IN ONLY 136 PAGES not only the economic features of a country but also its history, geography, political organization and culture presents something of a problem. Mr. Galbraith has succeeded admirably in his study of Colombia, aided by his four years' experience as BBC representative for Colombia, Ecuador and Venezuela.

In the last 50 years Colombia has made notable progress, in the face of difficult terrain, lack of capital, health problems, and the innate conservatism of certain elements. Dealing with economic problems, Mr. Galbraith has drawn heavily on the report of the International Bank Mission of 1950, which set forth a blueprint for future progress. Canadians will find some parallels to their own earlier development, such as the use of air transport in opening up the hinterland and the role of foreign capital in financing large projects.

In brief compass, the book gives a broad picture of this republic of 13 million people, neither minimizing its present difficulties nor overlooking the possibilities for future growth. The trader, visitor, investor, or student of Latin American affairs should find it valuable.

Order from : Oxford University Press, 480 University Ave., Toronto.

Beirut and Its Commerce

Canadian businessmen interested in trading with Middle Eastern countries would be well advised to keep in mind Beirut as a distribution, storage and processing entrepôt.

BEIRUT—The Lebanese, descendants of the famous Phoenicians, have been world traders for centuries and today this tradition of international commerce is being vigorously upheld by the merchant traders of Beirut. Lebanon, because of its geographical position, has always served as a link between East and West. It is today the most westernized of all Arab nations. The country's natural resources are limited and its energetic and gifted people have consequently turned to the sea and to trade for their livelihood. At the present time, Lebanon is one of the few countries with a minimum of trading restrictions and a completely free exchange. Currencies of all nations may be freely bought and sold while an international "zone franche" facilitates transit trade. International traders in recent years have been turning to Beirut in their efforts to capture new markets in the Middle East.

The Port of Beirut

The Port of Beirut is under the exclusive control of a private French company, La Compagnie du Port de Beyrouth, which obtained a charter in 1890 giving it sole rights to develop and exploit a deep water harbour. This charter does not expire until 1990 and has from time to time been renegotiated with the Lebanese Government, which now receives a percentage of all revenues. Today the port comprises 100 thousand square metres of warehouses and 60 thousand square metres of docks and uncovered storage areas. The port has been deepened to receive seagoing vessels up to 30-foot draft and is equipped with modern unloading and conveying machinery.

Trading Centre

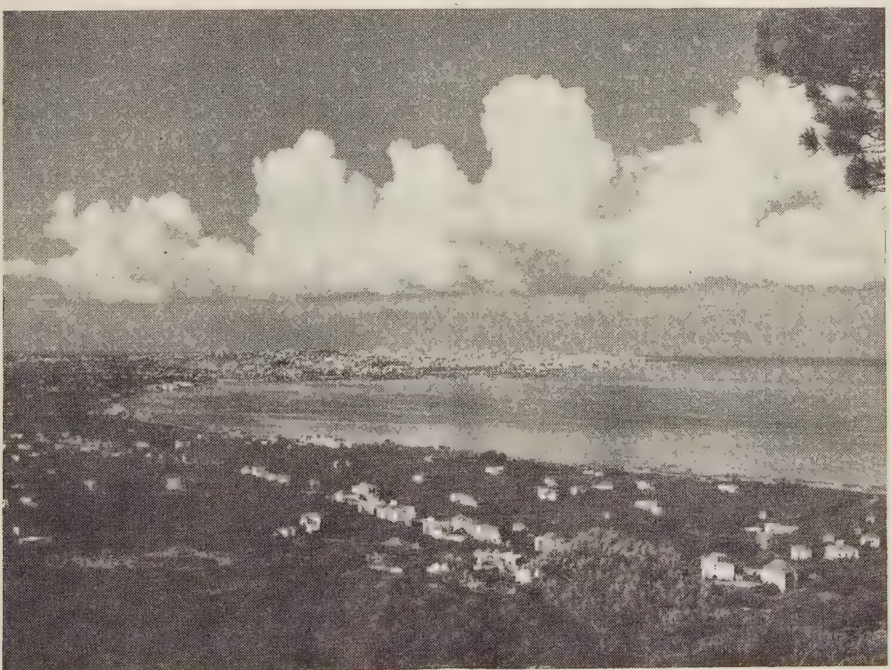
Located within the port area and enjoying all facilities is the international "zone franche" or free zone. This free zone is the seat of Beirut's entrepôt trade. It has expanded greatly since the war and now occupies 100 thousand square metres of the total port area. Goods delivered to the zone are not subject to customs duties and may be trans-shipped at will. Storage charges are not levied for the first week and after that time they are moderate. A network of railways and trucking routes connects the zone with Lebanon, Syria, Jordan, Iraq and Iran; some 80 steamship companies operate regular schedules, with frequent services to points in the Mediterranean and Middle East. Some 323,794 tons of merchandise passed through the free zone in 1952, the bulk of it handled by merchant traders who maintain their own warehouses within the zone.

The free zone can serve a useful purpose in providing a convenient trans-shipping point for exporters shipping to Middle Eastern countries which do not have regular connections with Canadian or American ports. In addition, the zone is used daily as a place where large consignments of merchandise can be sub-divided and dispatched to buyers in a number of countries. Frequently this enables an exporter to secure a more favourable freight rate on the long ocean haul. Thus, for example, a Canadian exporter who has orders from buyers in Lebanon, Syria, Cyprus, Turkey and Jordan may find it to his advantage to consign all of these shipments to the free zone in Beirut for subsequent trans-shipment by rail, truck or ship as preferred. The free money market is naturally an added advantage.

Advantages of the Free Zone

Many European exporters are also using the free zone to maintain stocks of merchandise which can be dispatched at short notice to their agents in neighbouring countries. This practice is particularly popular in the consumer durable lines and for luxury goods such as liquors and wines. It enables exporters to see that their products are always before buyers and is of great assistance to local agents who must pay interest charges on commercial loans for inventory which are, by Canadian standards, exorbitant.

Canadian buyers and tourists visiting Lebanon will also find the zone of interest. An attractive bazaar displays the products of many Arab nations and beautiful Oriental rugs may be purchased at the world's



From the East Mountains, Beirut and its beautiful harbour stretch into the distance. Long a rendezvous for traders, this Lebanese port contains a free zone, covering some 100 thousand square metres.

lowest prices. Merchandise purchased in the zone does not bear customs duties and can, if required, be consigned in bond to the ship on which one is travelling.

Processing and Packaging Centre

For some time the Port Company has been encouraging foreign businessmen to undertake processing, packaging and treating operations in the free zone. The company is prepared to rent buildings or to lease land on which plants can be built to specifications. Electricity, fuel, water, labour, transportation are all available at prevailing prices in Beirut and imported materials and machinery are not, of course, subject to customs duties. At present over 80 businessmen maintain premises in the zone for such purposes. Noteworthy among these is a large American pharmaceutical exporter who ships his products in bulk from New York and then packages and labels in the zone for his agents in all Arab countries. This enables him to reduce shipping costs and has the advantage that his products are labelled in Arabic. A certain amount of goodwill is also gained through his use of local labour.

Regulations

A number of reputable brokers maintain offices in the free zone and can be relied upon to attend to the proper storage and forwarding of merchandise. Goods should be marked simply "Beirut Zone Franche". Details of storage and other regulations are available from the Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

—Andrew G. Kniewasser
Acting Canadian Government Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Commodity Notes

AUSTRALIA

Oil—Construction of the £40-£50 million oil refinery at Kwinana, near Fremantle, Western Australia, is showing spectacular progress, it is reported. Australasian Petroleum Refinery Ltd., which is building the refinery, has already spent £1·6 million on the project.

One of the big jobs about to be undertaken is the building of the first permanent jetty capable of berthing the world's largest tankers, bringing crude oil to the site from the Persian Gulf. The jetty will have a shore arm 1,000 ft. long and a sea arm 1,700 ft. long. It will be built of concrete and steel and will provide three tanker berths with a depth of 40 ft. along the sea arm. Work on the foundations of the main refinery is also well under way. Although the vast dredging program in Cockatoo Sound has been delayed by recent squally weather, it is still ahead of schedule—Melbourne, Aug. 3.

BRAZIL

Pinewood—The new exchange regulations which permit pinewood exporters to negotiate 30 per cent of their export bills in the free exchange market have stimulated the Curitiba pinewood market to resume exports. Negotiations have been closed with Great Britain, Australia and South Africa on the basis of £75 per standard, f.o.b. Paranaqua, and with Germany on the basis of U.S. $105 per 1,000 square feet—São Paulo, Aug. 10.

JAPAN

Powdered Silk—Under a new patented process, a Japanese firm is producing powdered silk which, it is said, can be blended into face powders, creams, and lipsticks. The atomized silk powder is white with the lustre of silk, is 90 per cent silk protein, has a moisture content of 9 per cent, ash 0·5 per cent and, with an apparent specific gravity of 0·204, will pass a 250-300 mesh—Tokyo, Aug. 5.

MEXICO

Coffee—The Mexican coffee crop will be much greater than was anticipated and up to 1,250,000 bags may be available for export, the National Coffee Commission reports. The current crop, October 1952, previously estimated at 1,180,000 bags, was calculated by the Commission at 1,595,450 bags—Mexico City, Aug. 15.

NEW ZEALAND

Motor Vehicles—Motor vehicle imports were a record in 1952, at nearly 50 thousand units valued at over £18·5 million. Because of exchange restrictions, practically all came from soft currency countries—Wellington, Aug. 4.

SOUTH AFRICA

Minerals—Statistics on mineral sales this year disclose an irregular trend. Sales of copper and tin, and of manganese and iron ores, for the first two months of the year exceeded corresponding figures for 1952; but coal, asbestos (all types) and chrome ore sales have fallen. On balance, however, the value of minerals sold in January and February was higher than a year ago—£8,122,000 compared with £7,349,374. The Department of Mines' statistics for January and February show a big increase in value and volume of copper, manganese ore and iron ore sold, and a sharp decline in chrysotile asbestos sales—Johannesburg, Aug. 8.

UNITED KINGDOM

Titanium—The Ministry of Materials has made arrangements by which a United Kingdom chemical company will erect a plant to produce 1,500 tons of sponge titanium a year. Capacity will also be installed for converting the metal into ingot form. Production is expected to begin in two years' time. Three-quarters of the output over the first four years will be bought by the Ministry if the metal is not otherwise sold. The price will be equivalent to the current world price at the time of purchase—London, Aug. 19.

UNITED STATES

Glass Paper—Papers made of extremely fine glass fibres are proving useful in a variety of industrial specialty applications. The incombustible, inorganic papers filter hot and corrosive air, gases, and liquids and are being used as base sheets in electrical laminates, as gasking material, and as plate separators in aircraft and other special batteries. The fibre glass is being sold by the producer in wool form to paper companies which process the fibres and manufacture the finished paper product to customers' specifications—Chicago, Aug. 22.

WEST GERMANY

Coal—German coal production in 1953 is expected to amount to 125 million tons, compared with 123·3 million tons in 1952. Imports of American coal, if continued at the rate of January-March 1953, are likely to total five million tons in 1953, almost one million less than in 1952. This decrease shows the present trend in Germany towards becoming independent of dollar sources of coal.

German industrial production is still expanding and demand for coal will increase; it is expected to be met, however, by increased domestic production and larger imports from European countries—Bonn, Aug. 17.

Business in the Belgian Congo

Although lower prices for and exports of agricultural produce pose a problem, conditions in the Colony are generally good. Prices received for copper exports will largely determine extent of Congo purchases abroad.

LEOPOLDVILLE—Business in the Belgian Congo is generally good, in contrast to the troubles of its neighbour to the west, French Equatorial Africa, where undue reliance on agriculture has brought on a depression. Even in the Congo, however, nearly all the agricultural exports have declined. The eastern part has been especially hard hit and there have been numerous failures, particularly in Bukavu (formerly called Costermansville).

Before the decline in world prices for agricultural products began, the Belgian Congo authorities levied substantial export taxes with which they built up large reserves with an eye to possible lean years. These export taxes on agricultural products have in recent months been greatly reduced on the most hard-pressed agricultural items. Even so, agriculture is finding it heavy going.

Export Prices Fall

It is possible to exaggerate the present difficulties. Certainly until recently the price of palm oil, a major export, was abnormally high in relation to the cost of production. Nevertheless, sharp declines in the price of this and of nearly all other agricultural products in recent months are causing concern. In some less important products—such as pyrethrum, quinine and copal—the fall in price seems to reflect the impact of synthetics and the end of an era. The authorities are not particularly unhappy about the sad state of the copal market because production requires the use of labour under most unpleasant conditions.

Copper the Mainstay

The mainstay of the economy is mineral production, particularly copper, which alone accounted for nearly one-third of the total value of all exports from the Congo in 1952. Belgian Congo copper exports (which are nearly synonymous with production) amounted to about four-fifths of the Canadian output. Production of manganese ore got under way on a fairly large scale last year and the value of exports trebled compared with two years ago.

The poor position of agriculture has given the Government an opportunity to begin heavy expenditures under the Ten-Year Plan, particularly on roadbuilding.

Until recently, times have been so good that a labour shortage developed and made it difficult for the Government to carry out its impressive plans. Another impediment was the shortage of housing both

for natives and Europeans, which made it difficult to concentrate labour where it was needed and inadvisable to introduce many more Europeans into the colony.

This is an opportune time to begin the large-scale projects under the Ten-Year Plan because they will help to cushion the economy and represent a type of "pump-priming". It is estimated that the reserves accumulated by the Government over the years could finance the planned public works for about three years, even if exports continue to fall.

Most of the serious transportation bottlenecks of about a year and a half ago have now been corrected. Matadi, the principal port, appears to be fairly normal. A direct steamship service with Canadian east coast ports was recently resumed on an infrequent but regular basis.

Local manufacturing industries are increasing rapidly but the cost of labour in relation to its productivity is high. This is partly the result of the Government's wage policy, but chiefly stems from inefficient labour. Many manufacturers, except of very heavy goods, are finding that they will need customs protection if they are to survive in the face of keen foreign competition. The large pulp manufacturing project planned, using tropical woods in the lower Congo below Matadi, has been set aside but plans continue for producing pulp from the vast reserves of papyrus northeast of Elizabethville.

Large-scale production of bituminous products, particularly for road-building, from the low-grade coal found in the colony is being studied.

Imports from Canada

As a market, the Congo still offers equal tariff treatment to all suppliers, including the mother country, and the supply of foreign currency is still adequate for any normal import requirements.

The value of Canadian exports to the colony rose by 37 per cent in 1952 according to Canadian figures, and according to the Congo figures was nearly double that for 1951. Notable increases were achieved in sales of Canadian powdered milk and canned sardines, but wheat flour lost ground during the year because of technical questions about registration of sales with the International Wheat Council. However, figures for the first few months of 1953 show that not only were these difficulties overcome, but Canada's position as a supplier of wheat flour was better than ever.

Nevertheless, the market in general is limited because the 15 million natives (including the mandated area of Ruanda-Urundi), although advancing economically, can still buy only a very restricted list of products.

The Congo as a Market

According to a recent United Nations survey of African territories south of the Sahara, the introduction of a money economy—that is, one where natives work either on salary or grow crops for cash sale—has progressed much farther in the Belgian Congo than anywhere else except the Gold Coast. This progress is the result of deliberate government policy and is remarkable because the Congo has been exposed to civiliza-

tion for a shorter time than the other territories. Already about 60 per cent of the Congo natives are receiving money for their labour. The percentage will increase and with it the market for imported products.

The white residents are large per capita consumers of imported merchandise, but they are so few in number, and so scattered about the country, that they do not constitute an important market. One factor restraining a rapid increase in white population, apart from government policy, is the lack of housing and one of the bright spots in the economic and import picture is the construction industry.

When war broke out in Korea, Congo importers began frantically to place orders and this contributed largely to the transport difficulties in 1951. The peace negotiations resulted in near-panic liquidation of stocks by merchants here.

A Look at the Future

The 1952 Congo import figures reflect the belated arrival of goods ordered considerably earlier. Thus, in value total Congo imports rose 31 per cent over 1951. Heavy material for the Ten-Year Plan also swelled the imports and produced an adverse trade balance for the first time in 22 years. Preliminary figures for the first two months of 1953 show that the balance has already corrected itself. Unfortunately for purposes of analysis, the Congo import statistical system was completely revised in mid-1952 and comparisons of imports of individual commodities with previous periods can rarely be made.

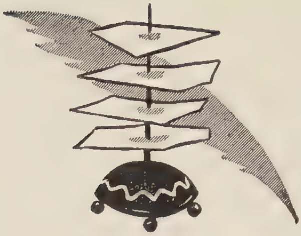
The prices received for copper will be the principal element in determining the future of the Belgian Congo as a market for foreign goods. Copper production methods in this country are being mechanized to a greater and greater degree, and it is probable that the Congo mines could withstand world price declines more easily than those in most other countries.

—W. Gibson-Smith
Canadian Government Trade Commissioner

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



General Notes

BRAZIL

Coffee Land—Representatives of a Sao Paulo Company visited Assunçao, Paraguay, to conclude negotiations for the purchase of 250 thousand hectares of Paraguayan land along the southern border of the State of Mato Grosso for coffee cultivation. Experts consider this area, between the 21st and 23rd parallel, the last potential reserve of land for the cultivation of coffee in South America—São Paulo, Aug. 12.

CHILE

Aircraft Factory—A factory for the manufacture of training, tourist and cargo aircraft of up to two motors which may be built to use small landing grounds is to be established in Chile. In the first stage, the plant will produce gliders fitted with a small gas turbine for the instruction of pilots. It is presumed that the new installation will be constructed in the central workshops of the Chilean Air Force. The initial capital is given as US$200 thousand—Santiago, Aug. 13.

FRANCE

Wind Tunnel—A new wind tunnel, said to be the largest in the world, has been constructed at Modane in the French Alps. This giant has a diameter of eight metres and is backed by 110 thousand h.p. Its originality lies in the fact that power is provided not by electrical current but by direct water action on the turbines. The new tunnel will permit testing of actual planes, such as the French military plane *Mystere*, whereas its predecessor was only an eighth of the size and could handle only models—Paris, Aug. 18.

NETHERLANDS

Catalyst Factory—The first factory on the European continent to produce catalysts for cracking oil was opened recently in the Netherlands. The plant, which started production ahead of schedule last January, has an output of 5,000 to 6,000 tons a year, and the company plans to double it next year. It is expected that 90 per cent of the output will be exported. Contracts for the sale of the whole first ten years' production have been concluded with Royal Dutch and Standard Oil for their refineries in Holland, France, Belgium and Germany—The Hague, Aug. 15.

NYASALAND

Hydro-Electric Project—The hydro-electric potential of Lake Nyasa and the Shire River, on the border between Nyasaland and Mozambique on Portuguese East Africa, is to be developed by a power corporation in which the British Government will be the majority shareholder. Power from the development, which will also help land reclamation and irrigation will be sold in bulk to the existing power concessionaires in Nyasaland and Mozambique—Cape Town, Aug. 4.

SOUTH AFRICA

Uranium Recovery—The third of the four uranium recovery plants beginning operations in 1953 was officially opened on June 30. The Harmony Gold Mining Company will open a similar recovery plant, at a cost of £3 to £4 million, in mid-1954. Sixteen additional mines are taking part in the uranium recovery project sponsored under the agreement of November 1950 between the South African Atomic Energy Board and the Governments of the United States and the United Kingdom—Cape Town, July 30.

UNITED STATES

Shoes—Continuing the fast pace set in 1952, the New England shoe industry produced 30·9 million pairs of shoes in January and February this year. This is an 8 per cent gain over a year ago and tops records for all other shoe-manufacturing areas. Maine manufacturers showed the greatest gain in the country—17·3 per cent. Massachusetts took first place, with 15·2 million pairs—Boston, Aug. 20.

Beetle Damage—Spruce bark beetles are doing serious forest damage near the Libby area in western Montana and northern Idaho. An estimated 800 thousand spruce trees (600 million board feet) have already been killed. Stumpage value of the threatened spruce in this area is estimated at $50 million. The insect burrows under tree bark, so it is not affected by standard chemical spraying.

Projects under way for removal of infested timber are expected to cost $1·8 million—Chicago, Aug. 21.

WEST GERMANY

Motor Vehicle Exports—During 1952, production of motor vehicles of all types amounted to 439,363 units, almost one-third of which were exported. Almost 80,000 passenger cars of a total of 100,336 units exported went to European markets, with Belgium ranking first (20,090), followed by Sweden (15,649) and Switzerland (11,746). About 9,700 passenger cars went to Africa and 6,807 to South America.

"Volkswagen", the largest producer, recently reached an output of half a million and is turning out 700 units a day compared with 545 last year. Because terms of delivery still exceed five months, the daily output rate is expected to be increased by 100 units within ten months. It is announced that a VW assembly line will be established in Brazil—Bonn, Aug. 14.

The Market for Pharmaceuticals

Canadian companies should be able to win a larger share of this $100 million market. Here is sound advice on how to enter it profitably.

MEXICO, D.F.—Mexico offers an excellent market for pharmaceuticals; in 1952, the trade estimates, more than $100 million worth was sold there. Imports of vitamins and antibiotics alone reached a value of 75 million pesos (8.65 pesos = U.S. $1.00) in 1952. Canada's share of this market is still very small and could be considerably expanded.

Distribution

The pharmaceutical and proprietary medicine business in Mexico is better organized than almost any other and rests on a sound financial basis.

There are more than 100 drug wholesalers and through them, manufacturing laboratories and importers have at their disposal a sound group of distributors who supply approximately 15 thousand retail drug stores throughout the Republic. These drug wholesalers, generally speaking, have a sound financial standing and are good credit risks. Their sales staffs are well trained and can effect good distribution with a minimum number of accounts receivable.

Market Characteristics

The marketing of pharmaceuticals in Mexico is extremely competitive and every effort is made to serve the public at the lowest possible prices. It has become practically impossible to sell pharmaceuticals and proprietary medicines from abroad imported in retail packages, because of the high tariff on such imports. Practically all the more important companies, U.S. and European, conduct a local manufacturing operation and local processing and packaging is indispensable to success. The preferred method is to import essential ingredients, either processed or semi-processed, and set up a complete packaging and labelling operation, using local bottles, labels, cartons, etc. This effects substantial savings estimated at from 25 to 40 per cent over the import of finished products and the burden of import duties and taxes is reduced to a minimum.

A less satisfactory operation is to ship the finished product in bulk with the necessary containers, cartons and labels and have the retail packages made up locally. This method allows some savings in custom duties and expensive foreign labour.

The introduction of new lines of ethical preparations to the local doctors follows a well defined pattern. The foreign and Mexican laboratories have local staffs of technically trained detail men who devote their entire time to calling on the approximately 25 thousand doctors practising

in Mexico. The cost of supporting these promotion services is considerable, although it is much less than it would be in Canada. However the results are usually so good that the service is considered indispensable.

However, a Canadian pharmaceutical manufacturer entering this market may find it convenient to tie in with a local manufacturer who has a complete organization and in this way greatly reduce the expense of becoming established in the Mexican market.

Registration and Price Control

Each new product destined for sale in Mexico must be registered with the Health Department designated "Secretaria de Salubridad y Asistencia". When the registration is completed, a registration number will be assigned to the product and this must appear on each label and carton.

Foreign products submitted for registration must be accompanied by a notarized statement certifying the origin. The formula and pharmacological action of each component must also be furnished. Each registration carries a fee of 200 pesos or approximately $23.00.

The retailing of pharmaceutical products in Mexico comes under the price control section of the "Secretaria de Economia". The section fixes a "Farmacia Price" based on a statement of cost (original invoice) including transportation and insurance, promotional expenses, duties, etc. It also requires a statement of price of a similar product in the same category already on the market. From this "Farmacia Price" the retail drug store is permitted a 20 per cent mark-up. The wholesalers are allowed a discount which may vary from 15 to 20 per cent of the "Farmacia Price". The tendency is towards generous credit terms in Mexico and the wholesaler and the retailer attempt to conduct their business on the manufacturer's money as much as possible; demand for credit up to 120 days is quite common. The wholesalers are slow to settle their accounts but credit losses are small and normally run less than half of one per cent.

The Mexican market certainly warrants close study by Canadian pharmaceutical manufacturers. Some firms have made mistakes in the past and lost money in promotional efforts that have not produced results and certain ones feel that the market is difficult and might better be left alone. However, the market for ethical and patent preparations is enormous and can be developed profitably. There is no substitute for on-the-spot market investigation by competent officials and the Canadian Embassy, Commercial Counsellor's office, will be pleased to assist with any inquiries.

—M. T. Stewart
Commercial Counsellor for Canada

W. D. Wallace, Commercial Secretary for Canada at Djakarta, Indonesia, expects to visit Palembang and Medam in Sumatra the latter part of September. Canadian firms interested in business in that area should send their inquiries to Mr. Wallace at the Canadian Embassy at Djakarta as soon as possible.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, begins a tour of Canada in Ottawa, September 1-4. He will visit Montreal, September 21-25, and Toronto, October 19-24.

C. M. Croft, Commercial Counsellor for Canada in Sydney, Australia, began the second part of his Canadian tour in Halifax, August 3-4. His tour will end in Vancouver, August 29 to September 4.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Toronto—August 28-September 5
Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11
Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, begins a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Montreal—August 31-September 4
Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Toronto—August 27-September 4
Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, begins his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Montreal—August 24-September 4
Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Vancouver—September 1-3
Calgary—September 8
Edmonton—September 9
Saskatoon—September 10
Winnipeg—September 11-12

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

Businessmen may get in touch with these officers through the Board of Trade in Brantford, Guelph and Montreal; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa and Vancouver (355 Burrard St.).

Trade and Tariff Regulations

BRAZIL

New Regulation Strengthens Cruzeiro—Action by the Brazilian Government to permit part of its revenue from the sale of coffee and other products to pass through the free market brought about an immediate strengthening of the cruzeiro. Operations, which had been 43 to 45 cruzeiros to the dollar a few days ago, dropped to 38 and financial sources predicted that the figure may go to 35. The government regulation permits the sale in the free market of that part of the revenue from the export sale of certain products which surpasses a fixed minimum. The minimum price fixed for coffee, for example, is $68.00 per 60 kilo sack for Santos type, exported via any port except Paranaguá, while the actual selling price in the New York market is about $80.00 per sack. This means the exporter has $12.00 which he can sell on the free market, thus obtaining more cruzeiros for his money. The list also includes waxes, Brazil nuts, cocoa, hides, oranges, certain types of sisal and several other items—Rio de Janeiro, August 14.

NEW ZEALAND

Import Licensing Schedule, 1954—The Import Licensing Schedule which provides for the control of imports into New Zealand has just been released covering imports for the year 1954. Though certain additional items from the sterling area have now been decontrolled, there has been no change in the regulations affecting goods to be imported from the dollar area. As all imports from there require licences before the importation may be effected and before the necessary exchange for payment will be granted, licences for imports from the dollar area continue to carry with them the guarantee of dollar availability for payment.

One item of interest to Canada in the new schedule is that wood pulp, heretofore decontrolled as regards sterling area imports, is now back on the schedule as it is considered that the present primage duty of 3 per cent would not be sufficient to protect the newly founded pulp industry in New Zealand should overseas competition become at

all keen. It is a stated policy of the Government that the protection now afforded by the import licensing shall be supplanted at the earliest possible moment by adequate tariff protection—Wellington, Aug. 7.

UNITED STATES

Customs Declarations Regarding Wheat—The following statement by the United States Customs appears in *Weekly Treasury Decisions* of August 6, 1953, (T.D. 53309):

"Inquiries have been received by the Bureau of Customs regarding who may make a declaration for purposes of section 10.106, as added to the Customs Regulations of 1943 by T.D. 53249. Information has also been requested as to whether certain wheat products are products for human consumption within the meaning of that section.

"The declaration required by section 10.106 of the regulations may be made by the actual importer or by a nominal consignee having actual knowledge of the facts.

"The use of wheat in the manufacture of a product for human consumption within the meaning of section 10.106 of the regulations includes use in the manufacture of ethyl alcohol, monosodium glutamate, edible flour, or edible starch."

Section 10.106 requires that there shall be filed in connection with each entry covering "wheat, unfit for human consumption", a declaration of the importer on the use to be made of the imported wheat.

Reciprocal Trade Agreements Act Extended—By the Trade Agreements Extension Act of 1953, approved August 7, 1953, (Public Law 215—83rd Congress), the United States Congress has extended, for a further period of one year from June 12, 1953, the period during which the President is authorized to enter into foreign trade agreements, under section 350 of the Tariff Act of 1930.

This Act also establishes a bipartisan commission, to be known as the Commission on Foreign Economic Policy, which is directed "to examine, study, and report on the subjects of international trade and its enlargement consistent with a sound domestic economy, our foreign economic policy, and the trade aspects of our national security and total foreign policy; and to recommend appropriate policies, measures, and practices". The Commission's report of its findings and recommendations is to be made to the President and to the Congress within sixty days after the second regular session of the 83rd Congress is convened.

The index to "Foreign Trade" for the first six months of 1953 is now ready in mimeographed form. Readers who would like a copy should write to the Editor, c/o Information Branch, Department of Trade and Commerce, Ottawa.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01234.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Aug. 20*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1317	
		Basic buying	·1976	
		Preferential selling	·1976	(1)
		Basic selling	·1317	
		Free	·07110	
Austria	Schilling		·03799	
Australia	Pound		2·2245	
Belgium-Luxembourg & Belgian Dependencies	Franc		·01978	
Bolivia	Boliviano	Official	·00520	
British West Indies	Dollar		·5793	(3)
	Pound		2·7806	(4)
	Dollar	Brit. Honduras	·6951	
Brazil	Cruzeiro	Official	·05340	tax 8%
		Free	·02536	(2)
Burma	Kyat		·2074	
Ceylon	Rupee		·2085	
Chile	Peso	Official	00898	
Colombia	Peso	Basic	·3951	tax 3% (2)
Costa Rica	Colon	Official	1759	(5)
		Controlled Free	·1487	*
Cuba	Peso		·9878	tax 2%
Czechoslovakia	Koruna		·1372	
Denmark	Krone		·1430	
Dominican Republic	Peso		·9878	
Ecuador	Sucre	Official	·06586	(6)
		Free	·05680	
Egypt	Pound		2·8366	
Fiji	Pound		2·5051	
Finland	Markka		·00429	
France	Franc		·00282	
French Africa	Franc		·00564	
French Pacific	Franc		·01552	
Germany	D Mark		·2352	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9878	
Haiti	Gourde		·1976	
Honduras	Lempira		·4939	
Hong Kong	Dollar	Free	·1652	*Aug. 14
Iceland	Krona	Official	·06066	
		Special buying	·04670	
		Special selling	·03763	
India	Rupee		·2085	
Indonesia	Rupiah	Basic	·08665	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Aug. 20	Notes (See below)
Iran	Rial	Official	·03062	*
		Certificate	·00985	*
Iraq	Dinar		2·7659	
Ireland	Pound		2·7806	
Israel	Pound	Basic	2·7659	
		Special	1·3829	
		Investment	·9878	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2953	
Mexico	Peso		·1142	
Netherlands	Guilder		·2600	
Netherlands Antilles	Guilder		·5238	
New Zealand	Pound		2·7806	
Nicaragua	Cordoba	Effective buying	·1497	(8)
		Official selling	·1401	
		With Surcharge I	·1227	
		With Surcharge II	·09828	
Norway	Krone		·1383	
Pakistan	Rupee		·2986	
Panama	Balboa		·9878	
Paraguay	Guarani	Basic	·06586	(1)
		With Surcharge I	·04703	(9)
		With Surcharge II	·03292	
Peru	Sol	Certificate	·05987	
Philippines	Peso		·4939	tax 17% (2)
Portugal	Escudo		·03447	
El Salvador	Colon		·3951	
Singapore & Malaya	Straits dollar		·3244	
South Africa (Union of)	Pound		2·7806	
Spain & Dependencies	Peseta	Basic buying	·04511	
		Basic selling	·08804	
		Basic commercial selling	·06014	(1)
		Free	·02507	
Sweden	Krona		·1909	
Switzerland	Franc		·2305	
Syria	Pound	Free	·2783	*July 15
Thailand	Baht	Official	·07902	(1)
		Free	·05647	*June 30
Turkey	Lira		·3528	
United Kingdom	Pound		2·7806	
United States	Dollar		·9878	
Uruguay	Peso	Official	·6503	
		Basic buying	·5549	
		Special buying	·4203	(1)
		Basic selling	·5199	
		Special selling	·4031	
Venezuela	Bolivar		·2949	(10)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

'I'm counting ice cubes . . .

. . . *I work in a refrigerator factory . . . it's cool counting ice cubes*" Keep repeating that, said French psychotherapeutist Emile Coué, and before long you actually will feel cool. It's worth trying anyway.

What about --- "*I'm a big success . . . customers are clamouring for my product . . . the orders are rolling in*"? That, unfortunately, is where Couéism breaks down

We all know it takes more than mental gymnastics to produce the eager customers and the big orders. It takes hard work applied in the right direction. Try Coué to beat the heat, but if you're looking for that sense of business direction, try reading *FOREIGN TRADE.*

foreign trade

SEPTEMBER 5, 1953

Canada: the Trade Picture Changes (page 2)

The Trade Picture Changes

- *First six months of '53 saw imports rise sharply.*
- *Exports fell slightly and export prices declined.*
- *Sales to U.S. rose slightly; those to other areas fell.*

OTTAWA—The renewed increase in the volume of Canada's imports was the most striking development in our foreign trade in the first half of 1953. The increase actually began in the last months of 1952, more than a year after the collapse of the Korean war price boom retarded the rate of import growth by inducing reductions in inventories of some imported goods and postponement of further purchases. The underlying factors in the persistent increase in imports over the past five years remain unchanged: a record level of domestic investment and of consumer income in Canada. An additional and rather important factor in the difference between the first six months of 1952 and of 1953 was the recovery in demand for textiles and textile products, which had suffered a recession throughout most of 1952.

Imports Rise, Exports Fall

Although imports were, as usual, seasonally low in the first quarter of 1953, their volume was sharply above that of the 1952 quarter. In the second quarter the margin of increase was even greater. At the same time, import prices firmed under the influence of renewed buying, although they remained below the level of the first half of 1952. In spite of lower prices, the *value* of imports for the six months reached $2,221·2 million, 5·7 per cent above the previous first-half record set in 1951, and the *volume* of imports was almost one-fifth greater than in the 1952 half-year, the previous record for volume.

Export Prices Decline

Though imports increased rapidly in the first half-year, exports fell slightly below their 1952 level. Export prices declined gradually throughout the six months and averaged about 3·6 per cent below the level of the first six months of 1952. The volume of exports was about 1·3 per cent lower. The prolonged strike of grain handlers on the Pacific Coast exercised an important restraining influence on the volume of exports. Overseas purchases of Canadian forest products, metals and manufactures also declined.

A sizable import balance on the half-year's trade resulted from these opposite trends in exports and imports. The change from last year's export balance amounted to some $373 million, and represents the effect

of the sharp increase in import volume and slight decrease in export volume. The terms of trade actually averaged fractionally better than in the six months of 1952 although they have deteriorated steadily since the third quarter of that year.

Summary Statistics of Canadian Trade, 1952-1953

	1952				1953	
	1Q	2Q	3Q	4Q	1Q	2Q
			$'000,000			
Value of Trade						
Total Exports..	1,001·8	1,119·9	1,069·2	1,165·0	913·9	1,105·8
Imports	916·1	1,034·2	995·2	1,084·9	998·0	1,223·2p
Total Trade....	1,917·9	2,154·2	2,064·4	2,250·0	1,911·9	2,329·0p
Trade Balance..	+ 85·7	+ 85·7	+ 74·0	+ 80·1	— 84·1	— 117·4p
			1948=100			
Price Indexes						
Export Prices..	124·8	122·2	120·7	119·9	119·2	118·8
Import Prices..	117·2	111·0	107·1	108·1	108·5p	109·0a
Terms of Trade	106·5	110·1	112·7	110·9	109·9p	109·0a
			1948=100			
Volume Indexes						
Export Volume	103·0	117·9	113·6	124·8	98·3	119·7
Import Volume.	118·2	140·8	140·6	151·4	138·7p	169·3b

p: Preliminary.
a: Average of April and May only.
b: Calculated using April-May average price.

In spite of the passive trade balance, the value of the Canadian dollar remained above that of the United States dollar throughout the half-year. The continued net inflow of foreign capital for investment in Canada provided adequate foreign currency to cover the current account deficit. However, the margin of premium on the Canadian dollar narrowed steadily in the half-year.

The defence requirements of Canada and other countries continued to influence trade in the six months. Although there was a considerable change in the nature of the goods imported for defence purposes, their net value increased only slightly. The renewed increase in import volume was due almost entirely to non-military demand. With the easing of international tension, the influence of economic considerations on purchases has again increased and supplies of many goods have become more adequate. This permitted overseas countries to cut their buying of metals and other industrial materials from Canada in favour of non-dollar supplies.

Direction of Trade Altered

Changes in the direction of Canada's trade, and especially of exports, were almost as pronounced as the changes in the trade totals themselves. Exports to the United States increased moderately in the first half-year but those to most overseas countries declined sharply. Larger sales of grains to Egypt and Korea increased shipments to the residual "other countries" group in the table. Otherwise exports to all overseas areas fell off.

On the basis of five months' data, most areas seem to have increased sales to Canada in the half-year, although the margins of increase varied greatly. Imports from the United Kingdom were more than a third

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greater than in the 1952 period; those from Latin America were almost unchanged. Purchases from the Commonwealth and the residual "other countries" group continued to decline. The chief decreases were in imports of raw materials from these areas. This illustrates the effect of final stages in the readjustment of Canadian demand, together with somewhat lower prices for certain commodities than prevailed a year ago.

Direction of Canadian Trade, 1952-53

	Domestic Exports January-June		Change	Imports January-May		Change
	1952	1953		1952	1953	
	$'000,000		%	$'000,000		%
United States	1,113·3	1,188·4	+ 6·7	1,222·5	1,372·6	+12·3
United Kingdom	401·0	314·3	—21·6	129·9	176·8	+36·1
Other Commonwealth	147·4	119·7	—18·8	74·9	59·3	—20·8
Other Europe	192·0	174·9	— 8·9	59·6	64·0	+ 7·4
Latin America	148·3	99·5	—32·9	113·7	114·5	+ 0·7
Other Countries	94·6	96·8	+ 2·3	25·5	23·1	— 9·4

U.S. Share of Exports Greater

The share of Canada's exports taken by the United States showed a marked increase in the first half of 1953. The proportion sent to this one market increased to 59·6 per cent, from 53·1 per cent a year ago. Non-ferrous metals, especially copper and aluminum, led this movement. After the United States abandoned its attempt to regulate the price of imported copper in the middle of 1952, Canadian producers again began to sell the largest part of their output in that market. Previously a major share had moved overseas in response to higher prices in that area. United States requirements for imported aluminum increased because power shortages there in 1952 caused reductions in domestic output. A large part of these exports represents aluminum produced under contract for sale to the United Kingdom but diverted to the United States by mutual agreement. Exports to the U.S. of newsprint, lumber, barley, primary iron and steel, and radio apparatus also increased in value and proportion.

Imports from the U.S.

There was relatively little increase in the share of Canada's imports drawn from the United States, but the increase in dollar value was greater than for exports. Textiles (especially cotton goods), automobiles and parts, machinery and equipment, electrical apparatus, chemicals and refrigerators were among the commodities showing the biggest gains. The relation of all these commodities to consumer and investment spending is close.

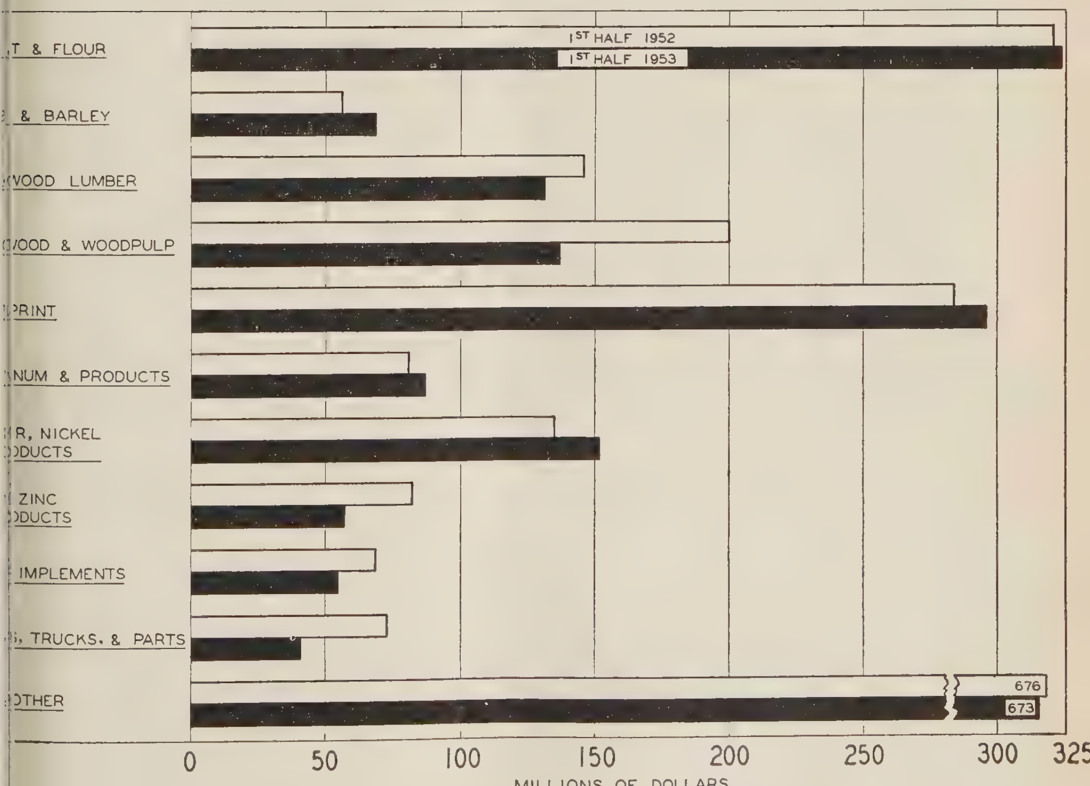
The import balance on trade with the United States rose to $470 million in the half-year, second only to the record first-half deficit of $488 million incurred in 1947. At that time Canada was exporting capital to other countries to meet reconstruction and relief needs; in recent years, she has become a net importer of capital for development. The steep decline in Canada's exchange reserves which paralleled the 1947 import balance on trade with the United States contrasts sharply with the continued strength of the Canadian dollar on the free exchange markets this year.

While the size of the balance on Canada's trade with the United States increased in the first half of 1953, that on trade with most other areas decreased. This was especially true of trade with the United Kingdom. Here the export balance fell from $242 million in the first half of 1952 to only about $97 million in the 1953 period. Both lower exports and increased imports contributed to this change.

Wood products and metals showed the sharpest drops in shipments to the United Kingdom. Supplies of lumber, wood pulp, and other wood and paper products were easier to procure from non-dollar sources than in the preceding year and soft currency prices of these goods were again competitive with North American prices. The re-direction of aluminum exports to the United States was responsible for the largest part of the decline in metals shipments, but the drop in prices of lead and zinc and in quantities of copper and zinc also contributed to the lower value of metal sales. Grain exports to the United Kingdom remained high throughout the half-year and exercised little influence on the lower export total.

Automobiles, aircraft engines, wool and cotton textiles and electrical apparatus accounted for the greater part of the increase in Canada's imports from the United Kingdom. Since the abolition of credit controls in Canada in the spring of 1952, imports of automobiles from the United Kingdom have recovered considerably though they have not yet reached

VALUE OF SELECTED EXPORTS



—Statistical Summary, Bank of Canad

the level of 1950 and 1951. The recovery of Canadian demand for textiles late in 1952 and early in 1953 had a special importance for the United Kingdom. Imports from that country in the half-year were about 36 per cent above the corresponding 1952 value but they have not reached the record value of 1951.

Other Areas

Exports to Europe declined less than those to the United Kingdom and imports increased less sharply. Nevertheless there was great similarity in changes in trade with these areas. Wood products and metals again suffered the largest export declines and textiles and metal products achieved the greatest import gains. The export balance on trade with Europe therefore declined but remained proportionately larger than the balance on trade with any other area.

Exports to Latin America decreased more than those to any other area. Sales to Brazil were little more than half as great as in the 1952 period and exports to Mexico and Cuba were also cut severely. Exchange difficulties hampered trade with some countries (especially Brazil) and Canadian exporters faced increased competition. In addition, some manufacturers were under less pressure to export than in 1952, when credit controls limited the domestic market. Imports from Latin America remained close to their 1952 level; the Canadian market for most of their goods has not changed greatly in 1953.

Only with the Commonwealth did both export and import trade fall off. The trade controls extended by these countries in 1952 for balance-of-payments reasons were a major influence in the export decline. Wood products, metals and manufactured goods again showed the sharpest export drops; sales of grains held up well. On the import side, purchases of New Zealand dairy products, of Malayan rubber and tin, of East African coffee and hard fibres, and of sugar from Commonwealth territories in America showed the greatest declines.

Statistics of trade during the first half-year show little sign of further changes developing in the pattern of Canada's trade. If the usual seasonal pattern continues into the second half-year, the trade deficit may well be smaller then. However, several uncertainties over exports arising out of such developments as the new wheat agreement, and the continued downward drift of some prices as supplies increase, make it difficult to project the trends of the first half-year into future months.

—L. A. Shackleton
International Trade Division
Dominion Bureau of Statistics

The year 1952 achieved something of a shipping record, according to a recent report issued by the Dominion Bureau of Statistics. Cargoes in international sea-borne shipping loaded at Canadian customs ports reached 32·5 million short tons, an increase of 19·4 per cent over 1952. Wheat cargoes, at 9,077,612 tons, were up 37·1 per cent over '51 and barley cargoes doubled.

Brazil

Frost Damages Coffee Plantations

SAO PAULO—Early in July, a very severe frost hit the coffee plantations of southern Brazil. The most seriously affected area was the State of Parana, which in recent years has been undergoing a transition to coffee as a major crop. Parana has been making great headway as a producing area and its coffee exports promised to be an increasing source of badly needed dollar exchange. São Paulo, traditional coffee state, also suffered from the frost—but to a lesser degree.

It has been difficult for the various agricultural departments and associations to arrive at a concrete estimate of the damage suffered and only now are reliable statistics available.

Loss in Parana

Various estimates continue to appear but it seems certain that there will be a 50 per cent reduction in the Parana crop estimates of 6 to 6·5 million bags. This will mean a Parana crop of about 3 to 3·5 million bags. Parana has made rapid strides towards topping São Paulo's coffee production and has long been considered a highly profitable, low-cost coffee area. Some 184 million trees were affected in varying degrees by the severe frost.

The Secretariat of Agriculture of the São Paulo State Government has issued the final result of intensive studies of the frost damage. Over 210 million trees, out of an estimated total of 1,205 million, were damaged to some extent. The Secretary of Agriculture had forecast production for 1954 at 10,373,000 bags and the drop because of frost damage is 23·3 per cent. The revised coffee production estimate is thus 7,958,000 bags. This compares with the 1953 São Paulo production figure of 8,022,000 bags. This decrease of 2,415,000 bags in São Paulo alone will mean a loss to Brazil of about 3,140 million cruzeiros.

Except for a small area in southeastern Minas Gerais, the frost damage was confined principally to the Parana-São Paulo sectors. Of course these two areas produce a very large percentage of Brazil's total coffee crop. The increase in the Parana crop for the next few years was to be main feature in Brazil's efforts to correct its economic ills.

a very Convenient Frost
so thoroly Documented

Exports to Be Maintained

It is generally believed that during the present coffee year exports of coffee will remain about the same as last year. The carryover from the previous crop, when 15·8 million bags were exported, may well keep the market more or less satisfied in 1953. The 1954-55 crop, however, will be seriously affected and a falling-off in exports may be expected. The 1955 crop should be larger than in 1954 and Brazil can then export perhaps 15 million bags. The frost certainly eliminated the possibility of coffee surpluses which some had forecast for the next several years.

—M. P. Carson
Vice-Consul of Canada and
Assistant Trade Commissioner

Trade in the Netherlands Antilles

No restrictions on imports, low rates of duty, a good supply of dollars make Curaçao and Aruba attractive, though small, markets. Canadians might well win a larger share of this trade.

CARACAS—Of the six islands in the Caribbean area which form the Netherlands Antilles, the two largest, Curaçao and Aruba, are the only ones of commercial importance. These two have dollar-earning trade and industries and permit imports at a low rate of duty and without any restrictions. The others—Bonaire, which adjoins Curaçao and Aruba just off the Venezuelan coast, and St. Martin, Saba and St. Eustatius lying to the southeast of Puerto Rico—contain a few sparsely populated farming and fishing settlements.

The 120 thousand inhabitants of Curaçao and Aruba enjoy a high standard of living and good working conditions compared with their neighbours in the Caribbean area, thanks largely to the huge oil refineries on these islands which daily refine a combined total of 750 thousand barrels of crude oil from Colombia and Eastern Venezuela. Trans-shipping operations, marine supplies and repair depots, phosphate mining and a growing tourist trade round out the islands' economy. Local merchants and traders report reduced sales and profits for the current year, but this stems primarily from increased competition rather than from a business recession.

The Industrial Scene

The oil refineries at Curaçao are affiliated with the Royal Dutch Shell Group and in Aruba a subsidiary company of Standard Oil of New Jersey runs the second largest refinery in the world. The local government has an agreement with the British Treasury that permits the conversion into dollars of sterling earned from oil-refining. The control and maintenance of huge tanker fleets for transporting crude oil from Venezuela and the refined products to world markets is an important phase of these operations. Venezuela wants to have more of its crude oil processed at home and the companies have already erected refineries to comply with this program. However, exports of crude oil will probably be permitted in order to keep the huge refineries in the Netherlands Antilles in operation, but no further increases in refining capacity there seem likely. Plant installations at Curaçao have recently been modernized and new cracking units erected. In Aruba the main refinery is maintaining maximum production of 350 thousand barrels daily but a small independent refinery was closed at the end of 1952.

Curaçao has a flourishing maritime trade because of the excellent port at Willemstad, the principal city. Ships enter the protected basin through a narrow channel which divides the business district, and visitors are impressed with the volume of traffic as the pontoon bridge opens and

closes continuously throughout the day. Some 75 per cent of the 8,462 vessels which called in 1952 were oil tankers and the remainder consisted of freighters from all parts of the world and 17 cruise ships. Over 400 ships were repaired during 1952 and orders have been received for the construction of two tugboats and a coastal vessel.

The phosphate mine on the island of Curaçao shipped 107 thousand tons to the United States during 1952. This English-owned company has steadily expanded its postwar production and is now an important part of the island's economy. The phosphate is not suitable as a fertilizer but is in demand for cattle fodder. The by-products, lime and limestone, are sold to local oil and construction companies.

Other industries are of only minor importance. Additional export business is required for the liqueur distillery although retail sales to tourists are satisfactory. An earthenware factory established in 1950 has already justified its existence and has increased production each year to keep pace with domestic and export sales. Building contractors are busy supplying the demand for business premises and houses and lower materials prices this year have encouraged owners to start several delayed projects.

Government and business officials realize the need for other industries but the lack of natural resources limits the industrial potential. The islands, however, have some attractive features which should appeal to the tourist trade: sandy beaches, protected harbours, a tropical climate tempered by trade winds, and a show-place of bargains for the shopper.

The tourist folders describe the Netherlands Antilles as the "buy spot of the Caribbean". Each retail store carries a wide range of merchandise from numerous foreign sources but variety in each item is limited.

This aerial view shows the entrance to the harbour of Willemstad, main city of Curaçao. In the centre foreground is the famous pontoon bridge which can be swung aside to allow ships to enter the protected basin.

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Stores cannot expand because the business districts are wholly occupied and every inch of space is used for display. Visitors are attracted to the bargains in perfumes, cosmetics, leather goods, jewellery, photographic equipment and colourful summer clothing from all parts of the world. Low overhead and taxes and a nominal import duty of 3·3 per cent combine to permit retail prices often below those in the country of origin.

The Influx of Imports

The volume of imports is surprising when one remembers the small population of the islands. In 1952 Curaçao and Aruba purchases from abroad totalled approximately $76 million and $36 million respectively, excluding all products directly concerned with oil refining, such as crude oil, chemical additives, etc. The United States supplied 50 per cent of the total, Holland 20 per cent, the United Kingdom 13 per cent, and Germany 1·6 per cent. Negligible quantities came from several other countries. Imports from Canada in 1952 amounted to $1,540,000 which was 17 per cent lower than in 1951. Monthly statistics up to May 1953 show a 40 per cent drop in imports from Canada compared with the same period of last year.

Principal products coming from the United States were fabrics and clothing, automobiles and accessories, industrial machinery, household appliances and a wide variety of food products. Imports from Holland were almost exclusively foodstuffs, particularly meats and dairy products. The United Kingdom supplied whisky, wool fabrics, ships, chemicals, and steel products. Canada's small share of the market consisted mainly of flour, lumber, newsprint and fish products.

Canadian Prospects

Importers and agents are interested in trading with Canada but direct shipping service is a must to permit competitive quotations. Transshipments in New York or Venezuelan ports are now necessary and this means delays and higher freight rates. Because of consumer preference, Canadian flour and canned fish will soon be the only important survivors among the foods, unless direct service becomes possible. There are still good sales prospects for Canadian durable goods such as men's wearing apparel, ladies' light clothing and accessories, shoes, household appliances, furniture and building supplies.

Merchants in Curaçao and Aruba consider their business of sufficient importance to merit an occasional personal call from exporters. An attempt to do business by correspondence alone does not have any permanent success. Many U.S. firms have their representatives call regularly with a range of samples in line with the market preferences and buyer and seller discuss transactions directly. Canadian exporters will find this an agreeable and worthwhile place to do business and if Canada were to obtain merely a 10 per cent share of the import trade, it would mean over $11 million a year. Although there are no immediate prospects for further industrial development in the Netherlands Antilles, neither should there be any serious retreat from the present favourable position.

—F. B. Clark

Assistant Commercial Secretary for Canada

FAIRS and EXHIBITIONS

For the Sporting Set

FALL AND WINTER FASHIONS for the well-dressed sports enthusiast and the newest in the equipment he will want to take with him to the forests, streams and mountains make up the current exhibit in the Canadian Showroom at Rockefeller Center in New York. Some ten Canadian sports clothing manufacturers and 15 sports equipment firms have contributed to the display which will be on view throughout September and October.

Two typical settings have been designed by the Canadian Government Exhibition Commission. In one, mannequins dressed for winter sports are posed on the steps of a ski chalet. They carry skis and around them are grouped samples of other equipment for fun in the snow.

A realistic camping scene, even to animals (stuffed, of course), has been set up in another part of the Showroom. Around the fire, in front of a Canadian-made tent, mannequins display the latest in Canadian-made clothes for the hunter and fisherman. The scene is complete to sleeping bags, camping utensils, flashlights and fishing bait.

Featured items that should catch the eye of visitors to the show are:

- A sleeping bag of the same type as those supplied to the successful Mount Everest expedition,
- Nylon, down-filled hunting jackets, vests, caps, etc.,
- Another sleeping bag, full-size (35 by 80 inches, not including hood) made of nylon and filled with down, that folds up into a container that is only 17 by 7 by 7 inches,
- A new lightweight youth's bicycle with cyclo derrailleur gear, and a new motorized bicycle.

The range of Canadian sport clothes and equipment in the exhibit includes men's and women's ski suits; women's suits, skirts and blouses; children's quilted winter suits; baseball bats; hockey sticks and gauntlets; toboggans and sleds.

A number of these lines are already selling in the United States, and it is hoped that the Canadian Showroom exhibit will help to develop this market. Members of the staff of the Canadian Trade Commissioner's office in New York, and commodity officers from the Department of Trade and Commerce, will be in attendance.

Greece Generates More Power

Economic progress in Greece will be quickened when four new projects, now under way, bring electricity to a power-starved country.

Date not Given

ATHENS—With the exception of Bulgaria, Greece has so far ranked lowest among European nations in per capita consumption of electricity—only 100 kwh a year, or 7 per cent of Belgian use, for example. Soon, however, this situation is due to change, thanks to an electric power program under the Marshall Plan, now nearing completion. A Greek philosopher, Thales of Miletus, was the first to observe and describe static electricity as generated by amber (in Greek "electron") rubbed on a woollen surface. Over 2,500 years later, the blessing of more and cheaper power will come to his descendants to help them write a new chapter in their history.

Little Power Available

Throughout most of Greece, electric power has been simply non-existent. A postwar survey disclosed that of 10,000 organized communities, only about 300 had any electric power. Even in these places it is usually the by-product of a small diesel generator connected to an olive oil press or small sawmill during the day and providing feeble oscillating current for a few dim lights in homes and shops for a few hours in the evening. These local plants range from direct to alternating current, from 110 to 220 volts, accompanied by a bewildering variety of electrical fittings and appliances.

In Athens, the rates are only moderately high but in rural towns and villages they are very steep, largely because all these electric plants consume about 500 thousand tons of imported liquid fuel annually, costing about $13 million in scarce foreign exchange. Even these plants, however, are now beginning to prove inadequate and without a new power system the Athens-Piraeus and Salonica areas—main industrial sites in Greece—would soon have an acute power shortage.

Planning the Program

The new electrification program as worked out has taken into account the natural resources and potential development of the various sections of the country. For one thing, it is expected to help in breaking up a heavy over-concentration of industry in the Athens-Piraeus area by encouraging the establishment of factories in the rest of the provinces. Fundamentally it is based upon a comprehensive survey of the Grecian economy as a whole and upon geological exploration for adequate water flows and native fuel supplies for both hydro and thermal electric power.

The projects finally selected depend upon the country's first inter-connecting modern transmission line, combining power from several hydro plants with one large thermal plant, all being developed at the same time.

The Aliveri steam-electric station, seen above, is located on the island of Euboea, about 100 miles from Athens. First of several included in the electrification program, it is now supplying the Athens-Piraeus area.

one unit

Lignite deposits abound in several areas of Greece. Lignite contains remnants of carbonized wood and some non-combustible material and is a relatively low-grade fuel, but with proper processing and special boiler grates it will serve as an efficient fuel for the large modern thermal plant at Aliveri, less than 100 miles northeast of Athens. An American engineering firm is supervising the construction and providing the key staff of the Greek Public Power Corporation, which is building and will operate the system. On completion of the entire project in 1955, this firm will withdraw and the operation will be handled by the Greek Government corporation.

Financing the Program

The total cost of the program is estimated at about $90 million provided mainly by direct grants under the Marshall Plan in foreign exchange, by the Greek Government's Marshall Plan counterpart funds in drachmae, and by some funds available through the Greek-Italian War Reparations Agreement and the European Payments Union. Opinion is that the previous trend towards steady annual increases in the dollar exchange requirements for fuel oils for generating electricity will now change and will remain near recent levels of about $13 million for slightly over half a million tons—half light diesel fuel oil and half heavy bunker oil. The present plan includes the three following hydro-electric plants and one thermo-electric plant burning lignite from a "captive mine" being developed nearby.

- The *Aliveri Steam-Electric Station* is an 80,000 kw. steam-electric plant of two 40,000 kw. units installed by two U.S. contracting firms on the large island of Euboea, close to the north shore of the Attica peninsula less than 100 miles from Athens. Major equipment consists of American-made boilers and German-made turbo-generators. A British firm has

designed and engineered the transmission system, consisting of 246 miles of 150 thousand volt lines, built by Societa Edison, an Italian company, north to Larissa and south to Athens. This station, the first to be put into operation, is just now beginning to supply electricity to the Athens-Piraeus area from one of its units.

- *The Ladhon Hydro-Electric Station* of two 25,000 kw. units is the most spectacular project in the program, with a 108-foot dam across a deep gorge in the Central Peloponnese. The project is being completed by Societa Edison of Italy and all equipment and construction costs are covered by Italian war reparations. Transmission lines 220 miles long will run northeast to Athens and northwest to Patras, completing a connection with the Aliveri power by linking up with the Athens-Corinth-Patras transmission line.

- *The Agra Hydro-Electric Station* of two 20,000 kw. units is being built by the Societa Edison of Italy, under terms of the Greek-Italian Agreement of Economic Co-operation. Greece has furnished scrap metal and other raw materials from which Italian factories have been fabricating machinery and equipment. Here again, manufacturing costs and the fees of the Societa Edison are to be charged against Italian war reparations due to Greece.

- *The Louros Hydro-Electric Station* located south of Ioannina, traditional capital of Epirus and principal inland city of western Greece. Smallest of the four projects, it has a capacity of only 5,000 kw. It has been contracted out to Omnium Lyonnais of France and all equipment is provided under the Italian war reparations.

There is some additional potential capacity remaining for future development, particularly on the Acheloos River in West Central Greece, but the completion of the present program will greatly improve economic prospects. It will boost the production of Greek mineral resources and become a challenge to foreign capital to invest in the country. It will make possible new development and more rational distribution of Greek industries, using as a labour supply farm and village residents, normally employed only during seeding and harvest time. It will make possible the extension of arable land under irrigation. In short, it will contribute in many ways to raising the living standards of the Greek people.

—H. W. Richardson
Commercial Secretary for Canada

For Your Information . . .

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Commodity Notes

AUSTRALIA

Bauxite—Surveys have revealed that at least 10 million tons of good quality bauxite are available on Machinbar Island, in the Wessel group, off the coast of Arnhem Land, Northern Territory. Considerable areas of good quality bauxite ore were also reported in Arnhem Land itself, but these have not yet been fully surveyed. Experts say that these deposits represent a valuable national asset. Government approval is awaited for developing facilities to work the deposits at a cost of £500 thousand. The ore has been assayed to yield 50 per cent aluminum, the highest quality yet located in Australia. It is claimed that, on a long-term basis, it would be cheaper to develop and produce aluminum from this ore than to import higher-quality ore from Malaya—Melbourne, Aug. 8.

BARBADOS

Molasses—A recent 240 thousand-gallon bulk shipment of fancy molasses to the United States was the first such shipment from Barbados. The molasses was pumped into the ship in nine hours; formerly it would have taken several days to handle and load the 2,200 puncheons. It is expected further bulk shipments will be made to Canada and the United States—Port of Spain, Aug. 11.

BRAZIL

Carnauba Wax—The carnauba wax market has been brisk during the last month. Prices in the U.S. have improved and the Bank of Brazil is selling its stocks. U.S. prices are $1.60 per pound for first yellow and $1.35 a pound for fatty—Rio de Janeiro, July 31.

Coffee—Brazil's total income from coffee exports in all currencies dropped 14·2 per cent during the first quarter of this year, compared with the same quarter of 1952. During the first three months of 1953 dollar revenue amounted to $154,464,853, against $173,940,801 in 1952, a drop of 11·2 per cent—Rio de Janeiro, Aug. 7.

LEBANON

Wheat—Canada was the principal supplier of wheat to the Lebanon in 1952, with 53,000 tons, as compared with 14,000 tons in 1951, according to Lebanese statistics. Syrian exports to Lebanon amounted to 38,000 tons, compared with 9,000 tons in 1951. Other suppliers

were the United States, with approximately the same quantity as in 1951—20,000 tons—and Rumania, 3,621 tons, compared with 101 tons in 1951. Total imports of all cereals showed a considerable increase over the previous year, 138,938 tons against 106,321 tons in 1951—Beirut, Aug. 15.

MEXICO

Sugar—As the sugar milling season drew to a close, the National Union of Sugar Producers announced that about 100 thousand metric tons of sugar will be available for export before March 1954—Mexico City, Aug. 10.

Oil—Crude oil production capacity reached 257 thousand barrels a day in July and will be increased to 280 thousand barrels before the end of the year, Petroleos Mexicanos (PEMEX) has announced. Exports of petroleum and fuel oil during the first quarter of this year were valued at 48·7 million pesos—11·5 million pesos above the figures for the corresponding period of 1952—Mexico City, Aug. 10.

NORWAY

Whale Oil—According to the final reports of the seven Norwegian whaling expeditions which took part in the Antarctic whaling season this year, total production amounted to 738 thousand barrels of whale oil and 27 thousand barrels of sperm oil. This compares with 972 thousand and 116 thousand barrels respectively from the ten expeditions during the 1952 season. The entire production of whale oil has been sold at an average price of £71-10 per ton, bringing in a total of 187 million kroner; the average price last season was £82 per ton. The sperm oil production has not yet been sold and a number of by-products are also expected to fetch a fairly reasonable price on the world market. Last season the total value of whale oil, sperm oil and by-products amounted to 310 million kroner—Oslo, Aug. 15.

UNITED STATES

Plywood—Production of pulpwood in the Southern States in 1951 reached an all-time high of 14 million cords, or 56 per cent of all the pulpwood cut in the United States, and accounted for 18 per cent of the total wood volume removed from Southern forests. The outstanding growth of the pulp and paper industry in the South is indicated by the fact that the daily capacity in 1950 was 23 thousand tons, compared with 5,000 tons in 1936—New Orleans, Aug. 25.

WEST GERMANY

Steel and Iron—During the first six months of 1953, Germany produced about 7·99 million tons of raw steel and 6·25 million tons of crude iron, which is a decrease of about 3·4 per cent and 6·9 per cent respectively, compared with production during July-December 1952. This decrease stems, it is said, from lessened demand. The original production goal for 1953, 18 million tons of raw steel, is not likely to be reached this year. About 16·7 million tons seems a more realistic figure—Bonn, Aug. 17.

Detroit Looks Ahead • • •

Defence and car dealer orders combined have kept the Michigan motor industry working at top capacity during the first half of 1953. A decrease in activity is expected, however.

DETROIT—It is expected that 20 per cent of the sales of automotive firms this year will represent deliveries to the armed forces—principally tanks, motor vehicles and aircraft components. A more important factor in pushing factory output to new highs, however, has been the excellent market for new cars. This market totalled some 3·25 million in the first half of 1953, almost 50 per cent more than in the same period of 1952. Most industry forecasts indicate an output of between 5·5 and six million cars for 1953 as a whole. This would mean that output during the second half-year would be 40 to 45 per cent of the year's total; the prewar pattern was about 55 per cent in the first half and 45 per cent in the second. So far in the postwar years no significant seasonal trend has been apparent because of the backlog of demand, strikes, and material shortages. Thus 1953 may be the first year since the war to witness the return of a normal market pattern.

The Outlook

It becomes increasingly difficult to chart the future course of business as expansion of defence work tapers off. For the past three years, high and rising levels of activity in Michigan were virtually guaranteed as national defence outlays more than tripled. At the present time the build-up of the Armed Forces, particularly the Air Force, is undergoing a second major "stretch-out", thanks to the easing of international tension. Some important new orders are still being placed with Michigan factories but the decision of the Defence Department to concentrate production in the hands of primary producers will eliminate a number of contracts with secondary suppliers.

In the last half of 1953, Michigan business will be directly affected by the trend of passenger car output. Industry forecasts had indicated there would be a gradual decline in production of vehicles in the last two quarters. However, the destruction by fire in mid-August of the huge General Motors transmission plant is resulting in a much greater reduction in the third quarter than had been expected. This one plant supplied more than one-third of the industry's automatic transmissions. Production slowed down almost immediately in Cadillac, Pontiac and Oldsmobile plants and production schedules at Nash, Kaiser, Hudson and Lincoln were expected to drop substantially in the following weeks. As motor vehicle employment in April accounted for 44 per cent of all Michigan manufacturing workers, this slowdown in production will mean a loosening of the employment situation. It is estimated that at least 50,000 workers will be affected temporarily.

The ingenuity of the automobile industry, however, should overcome the effects of this fire in the next few weeks. It is expected, however, that it will mean a return to a greater use of standard transmissions, a reduction in dealer stocks which had been rising for some time and which were considered by some authorities to be dangerously high, and higher production in the fourth quarter than could have been expected without the fire.

The weight of evidence at mid-year suggests that the national industrial boom, in which Michigan has shared so fully, has reached its crest. Overall momentum is still strong, however, and generally high activity may well continue for some time. Businessmen from all parts of the United States will undoubtedly be watching trends in the Detroit automotive industry for the next six months very closely. because it is considered to be one of the basic indicators of general economic activity in the United States.

—J. H. Bailey
Vice-Consul of Canada and
Assistant Trade Commissioner

The Demand for Australian Copper

MELBOURNE—Reviewing the Australian copper industry recently, the Commonwealth Department of National Development estimated the 1953 demand for copper and copper alloy products in Australia, compared with the estimated demand for 1951, as follows:

Product	1951 (tons)	1953 (tons)	Per cent decrease 1953 on 1951
Wire and cable (copper content)	40,000	22,690	43
Sheet and strip	13,000	10,040	23
Tube	8,000	6,420	20
Bar, rod and section	15,000	10,805	28
Ingot for foundry purposes	22,000	13,600	38
Total	98,000	63,555	35

According to the Department, the supply of refined copper should be adequate to supply all Australian needs in 1953. To meet the estimated consumption of 63,500 tons of copper and copper alloys, containing 53,000 tons of copper, it is estimated that 47,500 tons will be available from local sources. This will be made up of 35,000 tons of refined copper from Australian ores, and 12,500 tons of reclaimed copper; these supplies will be supplemented from stocks of refinery shapes. Later in the year, supplies are expected to be freely available from overseas.

Though supplies should be sufficient to meet this year's requirements, there is evidence of idle capacity in processing, according to the Department's review. Under normal conditions, the industry could process about 110 thousand tons of copper and copper alloy market shapes. Such an output, if it could be absorbed, would require about 90,000 tons of copper, with a minimum of 67,000 tons of primary copper.

General Notes

AUSTRALIA

Population Nears Nine Million—Figures recently released by the Acting Commonwealth Statistician indicate that the population of Australia, at March 31, was 8,795,778—4,454,420 males and 4,341,358 females. This is an increase of 197,170 over the 12 months from March 31, 1952, when the population stood at 8,598,608. The natural increase in population over the twelve months was 122,204 persons, and the net increase from immigration 74,966. The population in Victoria on March 31st was 2,377,297, compared with 2,322,327 on March 31st, 1952—Melbourne, Aug. 12.

July Exports Increase—The value of Australia's exports in July—the first month of the current financial year—was £80 million, an increase of £21·7 million over July 1952. This marked rise in exports was responsible for an increase in the margin over imports to £28·2 million, compared with £8·4 million the previous July. However, the excess of exports over imports was greater last June, at more than £32 million. July imports totalled £51·8 million, compared with £49·9 million in July 1952—Melbourne, Aug. 12.

BRAZIL

Spare Parts Factory—A Belgian industrial group has decided to install a factory close to Acesita in the Rio Doce Valley to make auto parts, according to an announcement from Belo Horizonte, State of Minas Gerais. Acesita is slated to produce special high-grade steels shortly —Rio de Janeiro, Aug. 7.

CHILE

Technical Assistance—The Governments of Chile and United States have signed an agreement for technical assistance with irrigation in the south of Chile. Both countries will contribute equally but any construction under the scheme will be for the exclusive benefit of Chile. The construction and improvement of irrigation canals and irrigation by aspersion are included in the scheme—Santiago, Aug. 10.

ISRAEL

Canadian Credit Facilities—A credit agreement which places $3·5 million in working capital at Israel's disposal every six months for purchases in Canada was signed recently between the Government of Israel and the newly formed Canada-Israel Corporation. The

Canadian Jewish Congress and the Zionist Organization of Canada have provided $500 thousand between them as basic capital. On the basis of foreign exchange risk protection for exporters under the Export Credits Insurance Corporation, Canadian banks will advance up to a further $3 million in credits as working capital. The terms of the agreement limit purchases at present to the Government of Israel through the Israel Supply Mission in New York. The revolving credit will be used solely for essential consumer goods in view of its short-term nature. Interested Canadian firms should contact Mr. S. Unterberg at the company's offices, 493 Sherbrooke Street West, Montreal, for details of requirements, terms, etc.—Athens, Aug. 3.

THAILAND

Rice Development—Thailand, the world's largest rice exporter, is making long-range plans to cope with the international rice situation and the change from a sellers' to a buyers' market. With foreign financial and technical aid, it is hoped during the next four years to increase the yearly output by one-third; to improve the quality of Thai rice through hybrid seed, fertilization and other means; to reduce prices by streamlined marketing methods, and to improve storage and milling facilities so that gluts and shortages will be avoided.

The most important since the war, this project will be financed through government funds, Mutual Security Administration economic aid, and World Bank loans. In addition to loans to farmers against crops as security, a chain of silos with a capacity of 550 thousand tons will be built during the four-year plan—Singapore, Aug. 5.

UNITED KINGDOM

Trade Balance Improved—United Kingdom exports in July were valued at £234·2 million, a rise of 14 per cent as compared with June which, however, contained three fewer working days. Imports amounted to £292·9 million which is only a fractional increase over June—a sign that the recent growth in imports is slackening. The surplus of imports over total exports fell sharply to £50·1 million, compared with £80 million in June.

Exports to North America broke the record. Shipments to the United States in July reached £15·2 million, compared with £14·4 million in June. Exports to Canada, at £14·9 million, were a little less than the June total of £16·1 million—London, Aug. 20.

UNITED STATES

Furniture Sales Decrease—The furniture industry in Michigan is facing a difficult period in the near future. Furniture sales during the big market months of June were nearly 20 per cent short of last year's mark when all orders were tallied. The bookings at the big furniture shows at Chicago and Grand Rapids left much to be desired and actual shipments in June were the smallest of any month thus far this year, and 10 per cent below May shipments. Cancellations, a thing practically unheard of in the recent past, were back to what may be considered normal—6 per cent, on the average, of new orders booked —Detroit, Aug. 22.

Chile's Steel Industry • • •

Set up two years ago, the national steel plant at Huachipato is turning out both ingots and manufactured products; today is exporting about 20 per cent of its output.

SANTIAGO—The new national steel plant at Huachipato, in the vicinity of Concepción, has now been in operation for just over two years. The production for 1952 consisted of 248 thousand tons of pig iron converted into 242 thousand tons of ingots, with 180 thousand tons of manufactured products. The latter comprised 102,737 tons of mild steel bars, wire drawing rods and angle iron; 69,980 tons of steel plate, black sheets and tinplate, and 7,619 tons of welded steel tubes. At the same time, the Corral plant produced about 24,000 tons of liquid castings.

Of this production, nearly 20 per cent was exported and the remainder was used locally. Exports had a total value of US$7,300,000. Some US$5 million represented sales to the Argentine, US$1·2 million to Peru, and the remainder shipments to the United States, Colombia, Ecuador, the United Kingdom, Bolivia and Panama. Total sales reached 3,994,471,000 pesos in Chilean currency of which 3,175,704,000 pesos went to consumers in the home market.

In its annual report and balance sheet of December 31, 1952, the plant disclosed a net profit of US$3,523,904, for the second complete year of operation.

Raw Materials Used

Of a total of 390 thousand tons of coal used in the blast furnaces, 160 thousand tons were imported from the United States. The company had budgeted to use in 1953 only 80,000 tons of imported coal against 380 thousand tons of national coal, but because domestic coal ran short, it may have to import about 200 thousand tons—that is, operate on a basis of 50 per cent of national and 50 of imported coal. The borings completed by this company in the Arauco district have shown that this concession contains a reserve of about 50 million tons of coal, which it will exploit once the loan of US$10 million, solicited from the Export-Import Bank, is forthcoming to finance the project.

At present, in addition to coal, other Chilean products used include some 400 thousand tons of iron ore, 18,000 tons of manganese, 85,000 tons of limestone and 10,300 tons of dolomite.

The following by-products are turned out each year: 5,365,600,000 cubic feet of coal gas; 1,300,000 gallons of benzol, light lubricating oils, creosote and ammonia water; 3,640,000 gallons of pitch; 11,000 tons of industrial coke and 22,000 tons for home use, and 119 thousand tons of slag from the blast furnace for use in cement.

The plant is scheduled soon to deliver tinplate sufficient for local requirements, with a surplus for export. Extensions during 1952 cost US$8,248,000, with a further expenditure of US$8,354,000 in the present year to include equipment for tinplate and a rolling plant.

Production for 1953 is expected to exceed 300 thousand tons which will mean turning out some 250 thousand tons of finished products. Exports are expected to reach US$14 million; imports of necessary materials will cost about US$16 million.

Effect on Economy

Present Chilean consumption is only 79 pounds of iron and steel per capita a year, or just under 7 per cent of the annual consumption per capita in United States. This emphasizes the need for a permanent export market to carry on the new industry successfully. It has had an important influence on the Chilean economy and in the present year the net saving in foreign exchange is expected to be more than $15 million. This amount should increase as the program of replacing certain imported raw materials with domestic ones continues.

The company has no privileges in the matter of foreign exchange rates and both its imports and exports are made at the free rate. Its exports to Argentina help to pay for approximately 50 per cent of the Chilean purchases of wheat and edible oils from Argentina. Only one concession is made by the Chilean Government—the Government pays interest on the company's debt to the Export-Import Bank of the U.S., to the value of the steel shipments to Argentina.

Discussions are now taking place over the possibility of constructing ships in Chile. If this proves feasible, the steel works would be enlarged to meet this new demand for special types of steel.

—M. R. M. Dale
Commercial Secretary for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Malaya's Import Control Policy

SINGAPORE—Malaya, with sizable exports of tin and rubber, earns far more hard currency foreign exchange than she spends. As a British dependent territory (differing constitutionally from a colony) and hence a member of the sterling area, the unspent portion of her dollars goes to what is commonly known as the London dollar pool. Apart from earnings from exports, Malaya's surplus of dollars is made possible to some extent by restrictive import control on goods from Canada and the United States.

Drawing Up the Policy

The policy governing imports is laid down by officials in Kuala Lumpur (the Federation's capital) and Singapore. The organizations concerned with import control—and consulted when it was drawn up or is revised—include the three local trade bodies, the Indian, Chinese and British Chambers of Commerce, as well as such offices in London as the Colonial Office, the Board of Trade, the Exchequer and the Bank of England. A local Trade Advisory Committee consisting of businessmen meets regularly with government officials to revise details and make changes in the policy. Broadly speaking, this ensures that the interests of both the local population and government agencies in England are well looked after.

Licences for direct import from Canada and the United States are issued only if the goods cannot be obtained (or not in sufficient quantity) from sterling or other soft currency countries. Under present world supply conditions, when most goods are available reasonably freely, Malaya's "free list" is far from comprehensive. Import licences are issued only for the following goods from Canada and the United States:—

Freely Issued

Arms and ammunition (except for shotgun ammunition)
Asphalt and bitumen
Books, magazines, periodicals (technical, educational, scientific or religious publications)
Carbon black
Fish, canned (herrings, pilchards, salmon, sardines)
Fuel oil
Grease, lubricating
Hog casings
Milk, sweetened condensed
Motors, outboard, over 15 h.p.
Rope, Manila
Rubber colours (dispersed)
Rubber samples
Shoe tacks
Steel strapping (including hoop iron)
Tractors, crawler—of 45 to 64 D.B.H.P. only
Wheat flour

Issued on the Merits of Each Case

Air conditioning equipment
Aluminum sheets
Asbestos fibre
Bearings, roller

Boilers, steam and accessories
Cotton duck
Dyes and dyestuffs
Earth-moving equipment
Engines, internal combustion
Films, photographic (in rolls, packs or plates)
Generators and generator sets
Instruments, scientific
Iron sheets, galvanized (plain or corrugated)
Lenses, optical (coloured)
Lubricating oils
Machines, calculating (electric)
Machines, mining
Machines and machinery not elsewhere specified, and spares and accessories therefor
Motors, electric
Newsprint in rolls and in sheets
Petrolatum
Pipes, cast iron (for water)
p-methylaminophenol sulphate
Pumps
Rosin
Round bars, mild steel
Rubber accelerators
Rubber stabilizers
Spares for motor vehicles
Steel and iron constructional superloid (ammonia alginate)
Tinplate, secondary products
Tools, engineers'

Issued Subject to Quota

Apples, fresh
Milk, powdered (other than milk based infant foods)
Oranges (fresh)

Issued on the Recommendation of the Director of Medical Services

Drugs, medicines and medicinal preparations, raw, manufactured or prepared

Issued on Official Film Censor's Recommendation

Films, cinematograph (exposed)
Films, cinematograph (unexposed)

Canada has a large trade deficit with Malaya; in 1952 we bought twice as much from Malaya as we sold there. In view of this, why are not more licences granted for Canadian goods? There are two basic reasons.

- First, if import controls were dropped or relaxed appreciably, not only might Britain lose a valuable export market, but less of Malaya's dollar surplus would find its way to the sterling area's central pool. This obviously would be detrimental to the sterling area as a whole and would possibly mean further cuts in imports from Canada into the West Indies, for example. Hence Canadian exports to the sterling area as a whole would not be improved. Except for a small portion which goes to build up reserves, the dollars earned by Malaya are being spent, if not by this country, then by other members of the sterling group.

- Second, Malaya's import controls are not relaxed partly because of the unique loophole through which virtually any dollar commodity can enter Malaya via Hong Kong. If an importer in Singapore cannot get a licence to import from Canada direct (a licence is an automatic guarantee that foreign exchange will be provided at the official rate), he can import the same goods via Hong Kong and pay by purchasing U.S. dollars in Hong Kong's free foreign exchange market.

The Singapore importer uses the services of an agent in Hong Kong to buy and ship the goods, or place an order in Canada and re-invoice them when they reach Hong Kong. For these services and the financial transactions the Hong Kong agent charges a commission of 4 or 5 per cent. The price of U.S. dollars in the Hong Kong foreign exchange market varies but normally it bears a direct relationship to the strength of transferable sterling in other free exchange markets. At present sterling is strong and thus the price of U.S. dollars in Hong Kong is only slightly higher than the official rate in Singapore. The landed cost of Canadian goods imported into Singapore in this way is at present approximately 10 per cent above the cost if allowed to be imported direct.

Based on Malayan statistics for January-June, imports from Canada via Hong Kong have been running at an annual rate of M$3·2 million during 1953, compared with an annual rate for total imports from Canada of M$14·3 million. In 1952 Malayan imports from Canada totalled M$35·7 million, of which M$4·2 million arrived via Hong Kong.

The principal reason for the decline in imports via Hong Kong is the drop in business activity generally in Malaya because of lower rubber and tin prices, and this is reflected in the drop in total imports from Canada. Other reasons are that not many Canadian commodities are sufficiently competitive to stand the additional premium, and a lack of adventurousness in Malayan importers which keeps them from trying new lines or this more complicated method of importing.

—D. S. Armstrong
Canadian Government Trade Commissioner

Trade and Tariff Regulations

PHILIPPINES

Certificate Required for Imported Flour—The Price Stabilization Corporation (PRISCO) of the Government of the Philippines has recently taken another step in its efforts to ensure a pure food supply. The new regulation covers imports of flour, and is effective September 8.

(1) All importations of wheat flour must be accompanied by a certificate of classification and analysis showing, among other things, the protein content, ash content, moisture and extraction appearing either in the invoices and bills of lading or in a separate certificate for the particular brand or brands indicated in the invoice.

(2) Any importation of wheat flour arriving in the Philippines without the certificate required in (1), shall not be issued the corresponding clearance required by the Bureau of Customs, unless the importer can first present a certificate of analysis from the Public Health Research laboratories of the Department of Health—Manila, August 12.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. He will visit Montreal, September 21-25, and Toronto, October 19-24.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Windsor—September 8
London—September 9
Guelph—September 10
Kitchener—September 11
Hamilton—September 14
Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, begins a tour of Canada in Montreal, September 8-15. His itinerary is:

Montreal—September 8-15
Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario has been postponed temporarily because of illness.

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, began a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Vancouver: Victoria—September 8-11
Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Welland: St. Catharines—September 8
Hamilton—September 9
Brantford: Guelph—September 10
Windsor—September 11
Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Ottawa—September 7-12
Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

A. W. Evans, Commercial Secretary for Canada in Havana, Cuba, began a tour of Canada in Toronto on June 1st. His itinerary is:

Calgary—September 8
Edmonton—September 9
Saskatoon—September 10
Winnipeg—September 11-12

Businessmen may get in touch with these officers through the Board of Trade in Brantford, Guelph and Montreal; the Chamber of Commerce in Calgary, Kitchener, London, Welland, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa and Vancouver (355 Burrard St.).

The index to "Foreign Trade" for the first six months of 1953 is now ready in mimeographed form. Readers who would like a copy should write to the Editor, c/o Information Branch, Department of Trade and Commerce, Ottawa.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cable[s] Office Telephon[e]
Argentina Paraguay Uruguay	C. S. Bissett, Commercial Counsellor Acting Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, BUENOS AIRES	*Mail:* (City Addr[ess]) *Cable:* CANADIAN *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P[.O.] *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Addr[ess]) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	W. Gibson-Smith, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Addr[ess]) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Acting Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 10[…] *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy †Avenida Jimenez No. 7-25 Office 613, BOGOTA	*Mail:* Apartado 16[…] *Airmail:* Apartado Aereo 3[…] *Cable:* CANADIAN *Tel.:* 12-251
Cuba	A. W. Evans, Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 19[…] *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 45[…] *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 17[…] *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	R. G. C. Smith, Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Addr[ess]) *Cable:* CANADIAN *Tel.:* OPEra 42-30[…]
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, BONN	*Mail:* (City Addr[ess]) *Cable:* CANADIAN *Tel.:* Bonn 21971
Germany	Wm. Van Vliet, Agricultural Secretary		

Territory	Officer	City Address	Mail and Cables, Office Telephone
reece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 72-853
uatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, GUATEMALA CITY	*Mail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
ong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
ndia	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
dia Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
ndonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Tanah Abang Timur 2, DJAKARTA	*Mail;* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
eland	T. G. Major, Commercial Counsellor	†Canadian Embassy 66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
aly Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
aly	C. F. Wilson, Agricultural Counsellor		
aly	M. S. Strong, Commercial Secretary (Fisheries)		
maica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers. KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
maica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
pan Korea	J. C. Britton. Commercial Counsellor	Canadian Embassy TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
banon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN
exico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
etherlands	J. A. Langley, Commercial Counsellor	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
etherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
ew Zealand Fiji, Western Samoa	L. S. Glass Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
orway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80

Territory	Officer	City Address	Mail and Cables, Office Telephone
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., Karachi	*Mail:* P.O. Box 3703 *Cable:* Canadian *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, Lima	*Mail:* Casilla 1212 *Cable:* Canadian †*Tel.:* 71150
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, Manila	*Mail:* P.O. Box 1825 *Cable:* Canadian *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., Lisbon	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, Singapore	*Mail:* P.O. Box 845 *Cable:* Canadian *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	C. B. Birkett, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, Johannesburg	*Mail:* P.O. Box 715 *Cable:* Cantracom *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	K. F. Noble, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, Cape Town	*Mail:* P.O. Box 683 *Cable:* Cantracom *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, Madrid	*Mail:* Apartado 117 *Cable:* Canadian *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation Strandvagen, 7-C, Stockholm	*Mail:* P.O. Box 14042 *Cable:* Canadian *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy Kirchenfeldstrasse 88 Berne	*Mail:* (City Address *Cable:* Canadian *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, Port-of-Spain	*Mail:* P.O. Box 125 *Cable:* Canadian *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, London, S.W.1	*Mail:* (City Addres *Cable:* Sleighing *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* Timcom

Territory	Officer	City Address	Mail and Cables, Office Telephone
ed Kingdom idlands, North gland, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
ed Kingdom orthern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
ed States laware, Maryland, rginia, West rginia	Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
ed States	Dr. W. C. Hopper, Agricultural Counsellor		
ed States onnecticut, New sey, Pennsylvania, w York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
ed States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
ed States assachusetts, ine, Rhode Island, rmont, New mpshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
ed States linois, North kota, South kota, Minnesota, sconsin, Indiana, va, Kansas, braska, Kentucky, ssouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
ed States ichigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT, 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
ed States ity of Los Angeles, uthern California, izona)	†Leslie G. Chance, Consul General of Canada	Canadian Consulate General 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* VAndike 7114
ed States ouisiana, Texas, lahoma, Arkansas, ssissippi, Tennessee, abama, North rolina, South rolina, Georgia, orida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate. 215-217 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
ed States orthern California, ontana, Oregon, aho, Washington, yoming, Nevada, ah, Colorado, New exico), Hawaii	C. C. Eberts, Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* SUtter 1-3039
ezuela etherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 3306 *Cable:* CANADIAN *Tel.:* 55818
zuela lombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01330.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Aug. 27*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1316	
		Basic buying	·1974	
		Preferential selling	·1974	(1)
		Basic selling	·1316	
		Free	·07104	
Austria	Schilling		·03796	
Australia	Pound		2·2200	
BelgiumLuxembourg & Belgian Dependencies	Franc		·01975	
Bolivia	Boliviano	Official	·00519	
British West Indies	Dollar		·5781	(3)
	Pound		2·7750	(4)
	Dollar	Brit. Honduras	·6938	
Brazil	Cruzeiro	Official	·05334	tax 8%
		Free	·02520	(2)
Burma	Kyat		·2072	
Ceylon	Rupee		·2081	
Chile	Peso		·00897	
Colombia	Peso	Basic	·3947	
Costa Rica	Colon	Official	·1758	(5)
		Free	·1486	*
Cuba	Peso		·9869	tax 2%
Czechoslovakia	Koruna		·1371	
Denmark	Krone		·1429	
Dominican Republic	Peso		·9869	
Ecuador	Sucre	Official	·06579	(6)
		Free	·05688	
Egypt	Pound		2·8339	
Fiji	Pound		2·5000	
Finland	Markka		·00429	
France	Franc		·00282	
French Africa	Franc		·00564	
French Pacific	Franc		·01550	
Germany	D Mark		·2350	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9878	
Haiti	Gourde		·1974	
Honduras	Lempira		·4934	
Hong Kong	Dollar	Free	·1652	*Aug. 14
Iceland	Krona	Official	·06060	
		Special buying	·04666	
		Special selling	·03760	
India	Rupee		·2081	
Indonesia	Rupiah	Basic	·08657	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Aug. 27	Notes (See below)
Iran	Rial	Certificate I	·03060	*
		Certificate II	·00984	*
Iraq	Dinar		2·7632	
Ireland	Pound		2·7750	
Israel	Pound	Basic	2·7632	
		Special	1·3816	
		Investment	·9869	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2957	
Mexico	Peso		·1141	
Netherlands	Guilder		·2597	
Netherlands Antilles	Guilder		·5233	
New Zealand	Pound		2·7750	
Nicaragua	Cordoba	Effective buying	·1495	(8)
		Official selling	·1400	
		With Surcharge I	·1226	
		With Surcharge II	·09820	
Norway	Krone		·1382	
Pakistan	Rupee		·2983	
Panama	Balboa		·9869	
Paraguay	Guarani	Basic	·06579	(1)
		With Surcharge I	·04699	(9)
		With Surcharge II	·03290	
Peru	Sol	Certificate	·05981	
Philippines	Peso		·4934	tax 17% (2)
Portugal	Escudo		·03444	
El Salvador	Colon		·3947	
Singapore & Malaya	Straits dollar		·3238	
South Africa (Union of)	Pound		2·7750	
Spain & Dependencies	Peseta	Basic buying	·04506	
		Basic selling	·08796	
		Basic commercial selling	·06008	(1)
		Free	·02505	
Sweden	Krona		·1908	
Switzerland	Franc		·2303	
Syria	Pound	Free	·2783	*July 15
Thailand	Baht	Official	·07895	(1)
		Free	·05647	*June 30
Turkey	Lira		·3525	
United Kingdom	Pound		2·7750	
United States	Dollar		·9869	
Uruguay	Peso	Official	·6497	
		Basic buying	·5544	
		Special buying	·4199	(1)
		Basic selling	·5194	
		Special selling	·4028	
Venezuela	Bolivar		·2946	(10)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

In the market for a magic carpet?

...e Ahmed found it useful to have one. According to the ... in the Thousand and One Nights, *whenever he wanted to* ...*el he merely jumped on his magic 9 by 12 and was transported* ...*omfort to his destination. Just the thing for the office-bound* ...*inessman.*

...here are interesting developments in Brussels . . . I wonder ... could sell in Boston . . . what are the possibilities in ...gota?" *If only you could be there in a flash to see for yourself.* ...*t no store stocks magic carpets—they belong to story books.*

...*nd let's leave them in story books—we have a better brand of* ...*agic. We bring Brussels and Boston and Bogota to you—right* ... *your desk.* FOREIGN TRADE *is our medium, and in it* ...*ou'll find reports from Canadian Trade Commissioners on a thousand and one subjects, many of vital interest to you.*

foreign trade

SEPTEMBER 12, 1953

Trends in New Zealand's Trade (page 2)

foreign trade

L. 14 OTTAWA, SEPTEMBER 12, 1953 NO. 350

. . . This harvest ...nt have been photo- ...n the haying season ...anada. Actually, it ...nadian agricultural ... at work on a New ...farm. For a story ...Zealand's trade in ...nded June 30, 1953, ...ge two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Trends in New Zealand's Trade

Statistics for the year ended June 30, 1953, show that New Zealand achieved two objectives—she paid for all imports out of current receipts, and was able to develop a sizable surplus with the non-sterling area.

WELLINGTON—Statistics on New Zealand's international trading for the twelve months ended June 30, 1953, as released by the Reserve Bank, show that New Zealand has fulfilled its commitment made at the Commonwealth Finance Ministers' Conference in London a year ago to "live within its income" and to "achieve a credit balance with the non-sterling area". The target was £25 million;* the result was a surplus of £36,423,000 with the non-sterling area, including one of £7,142,000 with the dollar area. With the sterling area, the deficit was £1,741,000. This brings the overall *surplus* to £34,682,000, in contrast to the *deficit* of £51,300,000 during the previous year. Continued buoyant export prices and the sustained high volume of exports, plus a decrease of £94 million in imports to the account of private traders, made this achievement possible. The fall in imports was brought about by tightening the import controls, long a part of New Zealand's economic pattern.

Turn towards Sterling Sources

In the commitment made by New Zealand, there were two objectives—first, to pay for all imports out of current receipts and second, to develop a sizable surplus with the non-sterling area. The first objective required general control only to ensure that spending did not exceed income; the second meant that a goodly part of current receipts had to be withheld from traders. From this it follows that imports from the non-sterling area had to be curtailed more than those from the sterling area, or alternatively, exports to the non-sterling area greatly increased.

The latter proposal presented difficulties. In the first place, the range of export goods is limited; of a total of £246 million worth of exports, dairy products, meat and wool accounted for all but £26 million. The value of dairy products and meat exported in 1952 was £130 million. Moreover, by virtue of long-term bulk purchasing contracts with the United Kingdom Government, New Zealand was, and is, committed to sell approximately 90 per cent of her exportable surplus of these products to Britain. This created the anomaly that, whereas her great need for herself and for the sterling area was to earn as many dollars as possible through her exports, she was irrevocably committed to sell most of these to the United Kingdom for sterling. Thus, with import control regulations

* All values in New Zealand pounds.

Dairy products and meat rank high among New Zealand's exports and, under long-term bulk purchasing contracts, go largely to the United Kingdom. Above, a typical herd put out to graze on a New Zealand farm.

encouraging purchases from the sterling area rather than the dollar area, and with most exports going to the sterling area, the inevitable tendency was to turn more and more to sterling sources for overseas requirements.

Increase in Sterling Imports

Imports from the sterling area during the calendar year 1942 were valued at £34,460,000. By the end of 1952 the value was £166,834,000—nearly a fivefold increase. On the other hand, imports from non-sterling countries increased from £19,396,000 in 1942 to £62,593,000 in 1952, or about threefold. These figures are for the calendar years, the only ones available for comparison. It is highly probable that the disparity in the rates of increase will prove to have accelerated during the first six months of 1953 as the results of the drastic controls of 1952 became more apparent. The added restrictions were not instituted until March and the first quarter and indeed the greater part of 1952 continued to show the effects of the heavy commitments made in the dollar area before the control became effective.

Even before 1952, dollar purchases were strictly limited to essentials which could not be obtained from the sterling area and, although many such items still cannot be found there, New Zealand—thanks to the United Kingdom's membership in the European Payments Union—is able to obtain an increasingly larger part of her requirements from European countries for payment in sterling, as these countries' export surpluses become greater and more diversified. This means that more and more applications for import licences for goods from Canada or the United States are being turned down, even for commodities which they traditionally supplied.

76500—1½

The trend in this direction is seen in the growth of trade with the European countries. Imports from Bèlgium in 1950 were £1,122,000, increasing in 1952 to £4,632,000; France in 1950 sold £1,222,000 worth of goods to New Zealand (only £406,000 in 1949) and in 1952 the figure reached £3,622,000. Germany is coming back rapidly from £215,000 in 1950 to £2,433,000 in 1952. Imports from the Netherlands increased three and a half times and those from Italy five times; Sweden more than doubled her exports.

Branch Factories Set Up

The restrictions have resulted in a further and far-reaching trend—the opening of branch factories or manufacturing under licence in New Zealand and in Australia. New Zealand, with a total population of only two million, is perhaps not as interesting a site for a branch industry as Australia, with its much greater local market. New Zealand has, however, a fair share of new industries and the new industrialists will fight (and probably successfully) for a continuance of the protection which import control now gives them. The Government has stated its intention at the earliest moment possible to substitute protection by customs duties for protection by import controls.

The increasing industrialization of Australia is also having its effect on the trend of New Zealand's trade. In 1939 total imports from Australia were valued at £6,419,000. Immediately after the war, in 1946, this had increased to over £10 million and by the end of 1952 to £24,371,000. Undoubtedly Australian exporters will be able to retain at least part of the market they have gained.

Japanese competition in the New Zealand market is also becoming a factor of some importance. Japan's purchases from New Zealand grew from £47,000 in 1948 to over £3½ million in 1952 and the Japanese are expecting New Zealand to increase her imports in proportion. As a result, New Zealand's imports from Japan have jumped from £59,000 in 1948 to nearly £2½ million in 1951 and over £3½ million in 1952. Recently, additional goods such as scientific and medical instruments, silk products, machinery, machine and hand tools, chemicals and drugs, aluminum sheet, iron and plywood have been taken off the prohibited list and may now be imported from Japan under licence.

Outlook for Canada

Canadian products are very highly regarded in New Zealand and the temporary disappearance of some of them will not be as harmful as it would be in countries where Canada is not as well known and highly respected. But the fact remains that so long as dollar restrictions are in force, our trade must suffer. And when these are removed it will mean facing keen competition from those who have enjoyed a privileged position. It will mean too competing with new local industries operating under the umbrella of a protective tariff. However, the shift to greater industrialization will breed new demands for plant and equipment, raw materials and semi-manufactured goods which Canada should be well able to supply.

—Lester S. Glass
Commercial Secretary for Canada

Bananas from Jamaica

KINGSTON—For nearly seventy years, bananas have figured among Jamaica's exports, with shipments reaching an all-time high of 27 million stems in 1937. Since then, the growers have had to cope with serious problems. First came the wartime disruption of normal trade. Then, in 1944 and 1951, hurricanes swept the plantations and destroyed many trees. Finally the Panama disease, leaf spot, attacked the trees. By 1952 production had fallen to seven million stems.

Today the clouds are lifting. In the last quarter of 1951, the Government of Jamaica allotted a million pounds sterling to the task of rehabilitating banana cultivation. The Gros Michel variety, first introduced into Jamaica from Martinique in 1836, is being largely replaced by the Lacatan banana, a variety resistant to the Panama disease. Farmers are now encouraged to spray trees to prevent leaf spot blight. Production figures are moving up—about ten million stems is the estimate for 1953 and 14 million stems a year is set as the target for 1955.

Export Arrangements

The United Kingdom has traditionally been a large buyer of Jamaican bananas—of the 27 million stems exported in 1937, Britain bought 20 million, the Netherlands 3·80 million, and Canada 2·30 million. When war broke out in 1939 the Imperial Government took over Jamaica's banana fleet for war services but, in order to preserve this important crop, the annual output was subsidized until the war ended in 1945.

From 1946 until March 1953, the U.K. Ministry of Food purchased the entire banana production. Early in 1953 a ten-year contract was arranged, under which a private company in Britain will sell all the bananas exported, for the best market price.

How Trade Grew

Bananas apparently were grown in Jamaica as early as the 17th century, chiefly for domestic use. In 1836 a French planter introduced the popular Gros Michel variety which soon displaced all other varieties. The first exports were apparently made in 1870, when Capt. Lorengo D. Baker, owner of a Cape Cod schooner on its way back home, stopped at Kingston. To fill up cargo space he took a few bunches of bananas which arrived at Boston in good condition.

Not until 1885 were regular sales of Jamaican bananas organized in the United States by a man who afterwards became president of the United Fruit Company. By 1914 Jamaica was shipping abroad about 18 million stems of Gros Michel. After all the ups and downs of the ensuing years, exports may climb to that figure again late in the 1950's.

—E. M. Gosse
Canadian Government Trade Commissioner

Italy's Canning Industry . . .

Ample supplies of fruits and vegetables make this a growing export industry and a dollar earner. Plants are being modernized and sales to foreign markets stepped up.

ROME—Canned fruits and vegetables earned more dollars for Italy during 1951 than any other branch of exports. In 1952, exports to the dollar area totalled $9·75 million, as compared with $10·5 million during 1951. The total to all areas for these two years was 38,197 million lire (approximately $61 million) in 1951 and 50,500 million lire (approximately $81 million) in 1952.

Although it was a comparative late-comer compared with other countries—the first small factory was opened in Turin in 1875—the Italian fruit and vegetable canning industry has developed rapidly. Its expansion has been and is largely the result of Italy's good supplies of the basic raw materials. Today more than 250 thousand workers are directly or indirectly employed, permanently or seasonally, in the 900 processing factories. Of the total factories now operating, the majority process tomatoes only, about 350 process fruit, and a smaller number, vegetables. Several of the larger firms produce all three.

Tomatoes Most Important

Tomatoes are the staple on which the Italian canning industry relies to consolidate and extend its position in the country's export trade. The 1952 tomato season was poor because of the exceptional drought which affected both the quantity and quality of the crop. More representative statistics can therefore be obtained from the 1951 season when Italy produced 84,000 metric tons of tomato concentrates (puree, sauces, etc.) and 120 thousand metric tons of peeled whole tomatoes. In all, the industry used over 700 thousand metric tons of tomatoes in 1951, as compared with 450 thousand metric tons in 1952. The potential annual capacity of Italy's plants is estimated at 550 thousand metric tons of finished products, so that even in the good crop year of 1951 the industry worked at only 40-45 per cent of capacity.

Home consumption of tomato products remains steady at around 35,000 metric tons of concentrates and 20,000 metric tons of peeled tomatoes a year. To develop and expand its markets the industry must concentrate on exports. The United Kingdom headed the list of buyers in 1951, followed by the United States and Germany.

Italian Tomato Exports in 1951

	Whole tomatoes (metric tons)	Tomato concentrates (metric tons)
United Kingdom	70,700	13,000
United States	23,000	9,800
Germany	....	11,000
Other markets	4,300	12,200
Total	98,000	46,000

Import restrictions imposed by the United Kingdom in 1952 hit this flourishing branch of Anglo-Italian trade hard and opened the way for some of Italy's competitors. However, now that these restrictions have been relaxed, the industry anticipates that Italian tomato products, because of their quality, will again find a ready market in the U.K.

Preserved Fruit

Compared with the tomato canning industry, the other branches of canning—fruit and vegetables—are much less important. While approximately 50 per cent of the fresh tomato production is manufactured into puree, sauces, etc., or peeled and canned, only about 20 per cent of fruit is turned into jam and similar products, and only 10 per cent of the vegetables are industrially processed. The fruit canning and jam industries have been encountering difficulties, production costs have been high, and domestic demand relatively low. The high cost of sugar in Italy has also handicapped this branch of the industry in competing with other producing countries.

The 350 factories engaged in fruit processing constitute an important outlet for Italy's surplus fruit production. From 1928 to 1934 production amounted to an annual average of 13,800 metric tons, including jam, canned whole fruit, jellies, candied and dried fruits. During the following years production increased rapidly until, under the impetus of war, it reached a peak of 93,900 metric tons in 1952. Output during the past four years was: 1949, 32,000 metric tons; 1950, 35,000; 1951, 44,000; 1952, 50,000.

Canned Vegetables

Production of canned vegetables is also high although it could be expanded, considering the large supplies. National consumption of this commodity is not proportionate to output and there appears little possibility that it can be raised because fresh vegetables are always in adequate supply. The most important of the vegetables usually canned are peas, string beans, kidney beans, spring onions, capers, gherkins and baby artichokes. A distinctively Italian product, Giardiniera—a mixture of pickled carrots, gherkins, cauliflowers, etc.—is exported in considerable quantities. Baby artichokes and mushrooms boiled in vinegar and preserved in oil, and green, black and stuffed olives are the basic products used in the preparation of canned hors d'oeuvres.

Before the war the aggregate output of preserved vegetables amounted, on an average, to 17,500 metric tons a year. After a considerable decline during the war and early postwar years, production in 1951 reached 18,500 metric tons.

Fruit Juices

Italy's exports of fruit juices, particularly orange and lemon juice, are growing. Average annual production is about 14,500 metric tons, from some 144 thousand metric tons of fresh citrus fruit. Less important, though production is on the increase, are apple, tomato and grape juices. Expansion in the fruit juice industry is bound to affect export possibilities favourably and help to solve the problem of surplus production, particularly of grapes.

Italian preserved fruits and vegetables are exported to over 70 countries and make a valuable contribution to her balance of trade. In 1951 the combined exports of preserved fruit, juices and vegetables amounted to 44,391 metric tons valued at 7,366 million lire. Imports of similar products during the same year were less than 1,000 metric tons. In 1952 exports remained about the same as in 1951 but the value dropped by approximately 950 million lire. Exports of canned fruit and orange juice without sugar declined sharply, but the fall was partly compensated for by larger exports of fruit syrups.

Despite the bad production year in 1952, the value of Italian exports of preserved fruits and vegetables to Canada was almost double that of the previous year. In fact, shipments to Canada have been increasing steadily since the earlier postwar years and prospects are good for continuing expansion.

Exports to Canada

	1951	1952
Dried fruit	$ 354,880	$ 740,480
Tomato paste and peeled tomatoes	398,560	669,760
Preserved fruits and fruit juices	260,960	599,680
Total	$1,014,400	$2,009,920

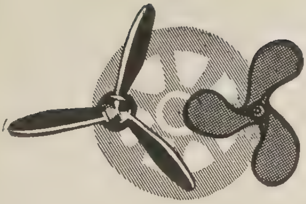
The Outlook

This Italian industry has been hampered by the import restrictions which some countries have adopted. Particularly serious were the effects of the restrictions imposed by the United Kingdom, whose imports of vegetable and fruit preserves dropped to 2,265 million lire in the first ten months of 1952, as compared with a total of 4,409 million lire in 1951. It should be pointed out, however, that during the same period in 1952 Italian exports of fruit syrups to the United Kingdom rose to 1,139 million lire compared with a very small amount in 1951. As the United Kingdom restrictions on these commodities have now been abolished, exporters are looking forward to bigger business during the 1953 season.

Large supplies of fruits and vegetables, a plant modernization program now going forward, and increased use of refrigeration—all these augur well for the future of this Italian industry.

—M. S. Strong
Commercial Secretary for Canada

One of the newer uses for the "electric eye" was recently reported from New Orleans—culling out imperfect coffee beans. When shipments of the beans arrive in the southern city, they go through several tests to remove the bad ones. As a final check, a firm of coffee importers now subjects the beans to a strict inspection by 24 electric eyes. A mechanical arm picks up each bean and passes it in front of the eyes. If the bean is off colour or sub-standard in other ways, it is rejected and only the good ones proceed on their way to the storage room.



Transportation Notes

BRITISH NORTH BORNEO

Internal Air Service—A new feeder air service has recently been started in British North Borneo. Operated by Malayan Airways with two de Havilland *Rapides,* it connects the main coastal centres of Jesselton, Labuan and Sandakah with the inland settlements of Tawau, Kudat, Ranau and Keningau. In a country where roads and railroads are notoriously inadequate, the new air service has already proved profitable. Jesselton and Ranau, formerly four days apart by mountain pony, are only 35 minutes by air. Foodstuffs such as fresh meat and export produce such as rubber are flown to the ports; growers return with fish and other essentials unobtainable in the interior. The service will be conducted for two years as an experiment, then future plans will be made—Singapore, Aug. 11.

CHILE

Arica to be Declared "Free Zone"—To aid the development of the northern province of Arica, certain imports and exports through the port of Arica will be free from all duties. Moreover, relief from taxation for a period of 15 years will be granted to new industries established in the zone—Santiago, Aug. 20.

Metropolitan Railway—The construction of a metropolitan railway to connect the suburbs with the city of Santiago has been definitely authorized and a loan of CH\$5·5 billion approved. The amortization of the debt for the construction will be effected in a minimum period of twenty years from the date on which the railway establishes its services. All necessary machinery, equipment and accessories may be imported free of customs duties. The State Railways will permit the new metropolitan to prolong its routes over their lines to make access to the capital easier—Santiago, Aug. 20.

MALAYA

East Coast Railway Re-opened—The East Coast line of Malayan Railways has been re-opened to freight traffic; passenger traffic will begin in April 1954. During December 1941 and January 1942, the retreating British Forces destroyed all the major bridges on this railway to hinder the advance of the invading Japanese Army. Work on the reconstruction of the line has proceeded despite severe Communist terrorist activity during the last five years. The bridging problems were immense; no less than 7,650 lineal feet of steel bridge

spans over 35 rivers and streams were repaired or replaced. These included two 250-foot spans which had to be raised 60 feet from the river bottom. The East Coast railway provides a second rail connection with Thailand and will help to open up the relatively undeveloped eastern side of the Malay Peninsula—Singapore, Aug. 11.

MEXICO

S.S. Company to be Formed—A Mexican national steamship company with an initial capital of 75 million pesos will be formed, the Confederation of National Chambers of Commerce has announced. The Mexican Government through its agency, Nacional Financiera, will hold 51 per cent of the stock; the remaining 49 per cent will be offered to the public—Mexico City, D.F., Aug. 25.

NEW ZEALAND

Commercial Aviation Expanding—During the year ended March 31, 1952, passengers carried on internal air routes numbered more than 312 thousand. This represents only a 3 per cent increase over the previous year, but 1951-52 traffic was abnormal because of the waterfront strikes. Aerial topdressing of farm land also increased; the amount of fertilizer used, 144,150 tons, was 62 per cent greater than the year before—Wellington, Aug. 7.

Rail Rates Increased—Effective June 21, 1953, passenger fares on suburban rails were increased by 10 per cent; regular passenger traffic rates are unchanged. Freight rates also were increased. Postal rates rose 10 per cent; livestock, wool and timber from 5 to 15 per cent, depending on mileage, and l.c.l. shipments in most cases not more than 20 per cent. Low tariff goods such as manures, bricks, coal, etc., went up 15 per cent, and produce, flour, cement and similar classes, 5 per cent. These increases are expected to bring in more than $2·75 million additional income a year—Wellington, Aug. 7.

SCOTLAND

Road Improvements—It has been announced in the House of Commons that the Government will undertake additional work amounting to about £1,000,000 on improving Highland roads, and that an experimental peat-burning power station is to be set up in Caithness. The road works will be carried out over the next three years and the power station project, at an estimated cost of approximately £500 thousand, will begin at once. The Government was impressed by the recommendation for road improvements considered necessary to develop the Highlands and give their natural industries—forestry, agriculture and fisheries in particular—a better chance—London, Aug. 25.

UNITED STATES

Great Lakes Shipments—The Lake Carriers' Association reports that combined tonnages of Great Lakes shipments of ore, coal and grain up to mid-season, set a new record. By the end of July, 87·4 million tons had been transported, far surpassing the previous record of 81·8 million tons for the same period in 1944—Detroit, Sept. 2.

The Netherlands

Farm Production in '53

With less land seeded to grains, the Netherlands will need to import more; livestock numbers are up and production may soon have to be adjusted to market possibilities.

THE HAGUE—Netherlands livestock production has expanded substantially in the past year, despite heavy losses suffered in the February flood. Field crops, however, have not kept pace and substantial declines in grain areas suggest a need for greater imports of both bread and feed grains in the 1953-54 season.

Abolition of the Government's cattle feedstuff rationing system at the close of the winter stabling season and the ending of its chick allocation scheme about the same time have encouraged greater livestock and poultry production. Reduced feed prices, the virtual elimination of foot and mouth disease in the past year, and the decrease in cattle destroyed as t.b. reactors have furthered these developments. Decontrolling of feed imports, scheduled for September 1, 1953, will leave Dutch livestock producers somewhat uncertain about feed supplies and prices. But with good prospects for abundant supplies of feed grains on the world market this fall, the emphasis in Netherlands planning in the coming year will likely shift from production to marketing—and may involve government action to limit production to marketing possibilities.

Livestock Numbers Up

Netherlands livestock production is expanding in all branches, according to provisional returns of the annual May census. These show an increase of 62,000 head of cattle, bringing the total to 2,920,000—1,507,000 of them milch cows, 24,000 more than in 1952.

The hog population of 1,940,000 in May '53 was nearly 97,000 higher than a year ago. Sheep increased by over 36,000 in the past year and in May totalled 419 thousand, reversing the down trend of the past two years. Similarly, the decline in horses, in progress since before the war, was checked and numbers increased by 1,800 to 246 thousand.

Domestic fowl expanded by nearly four million in the past year to 27,500,000, largely because of a big increase in chick hatchings this year following the end of the Government's postwar chick allocation scheme. Fowl numbers, however, are still five million below 1939. Ducks are at less than half the prewar number but increased by 53,000 in the past year.

These livestock statistics are all the more remarkable in view of the substantial losses sustained in the provinces of South Holland, Zeeland and North Brabant during the February flood. These losses are now estimated at 20,500 cattle, 14,000 sheep, 10,000 hogs, 2,300 horses, 683 thousand fowl and 3,000 ducks.

76500—2½

Arable land in May this year, in contrast to higher livestock production, was down by 31,000 hectares compared with 1952, but some 18,000 ha. of this decrease can be attributed to damage from the February storm. Of the total decline, cultivated land fell 16,500 ha., grassland 13,500 ha. and horticultural land 800 ha.

Field Crops Smaller

There has been a marked decline in the area seeded to grain, with the exception of barley and oats. A fall of 32,000 ha. in sowings of winter wheat was only partially compensated for by an increase of 15,000 ha. in spring wheat, bringing this year's total wheat area to 65,000 ha. compared with 82,000 in 1952. Rye seedings have fallen by 14,000 ha. to 170 thousand ha. and corn by 4,000 to 10,000, reversing three years of steady increases. The oats area is up 3,500 ha. but most of the increase can be written off because 3,000 ha. of the total are on previously flooded land. Similarly, the startling increase of barley over 1952 can be entirely misleading if one forgets the 42,000 ha. sown on land inundated by salt water earlier this year. Virtually nothing will be harvested from this land and the remaining 60,000 ha. is 9,500 less than in 1952. Barley is one of the best crops to rehabilitate brackish soils and this explains the substantial increase this year.

Estimated Yields

Taking hypothetical yields, which can be considered normal under present conditions, of 3,500, 2,800, 3,200 and 3,000 kg. per ha. for wheat, rye, barley and oats respectively, and discounting the areas of grain sown in the flooded districts, one arrives at the following estimated grain harvest for 1953.

	1952	1953 (estimated)	Decrease	%
		(in metric tons)		
Wheat	327,000	217,000	110,000	33·6
Rye	497,000	476,000	21,000	4·2
Barley	240,000	192,000	48,000	20·0
Oats	483,000	459,000	24,000	5·0

These estimates, combined with the growing numbers of livestock, indicate a need for substantially increased imports of grain in the 1953-54 season or, in rye and oats, decreased exports. Last year these exports amounted to 13,000 and 34,000 tons respectively. The estimates may, however, prove to be on the conservative side.

Horticultural Crops

The area planted to vegetables, at 35,000 ha., is 2,000 ha. larger than a year ago. Surprisingly, the area seeded to onions is 1,200 ha. greater than last year, even though the major production areas were flooded. Other areas have expanded production to meet export needs but yields are not likely to come up to normal. However, on balance there should be no shortage in the export trade. Gherkins for export will likely be in short supply in the coming season because of adverse spring weather.

Orchard fruit areas have declined 4,100 ha., over half of which is from losses in the flood district. Horticultural seeds at 6,580 ha. are 100 ha. less than a year ago; bulbs and nursery crops are down 400 and 100 ha. to

7,300 and 1,100 respectively. Total fruit production this year is officially forecast at 413 thousand metric tons, compared with the 1952 record of 712 thousand m. tons. This decrease of over 40 per cent is largely due to night frosts in early May and to losses of fruit trees through flooding this spring.

Livestock Products

Milk production, on the decline since 1950, expanded substantially in the first half of 1953. At the end of June, milk deliveries totalled 2·5 million m. tons, 6·6 per cent higher than in 1952. Butter and factory cheese production in the same period were 15·6 per cent and 14·6 per cent higher, at 40,000 m. tons and 71,000 m. tons respectively. Spray and roller skim milk powder increased by 56 per cent and 89 per cent, and evaporated milk production by 16 per cent, but condensed whole milk and sweetened condensed skim milk fell 2 per cent and 13 per cent.

Support for Dairy Products

In addition to the overall increase in milk production this year, because of slightly more milking cows and nearly ideal pasture conditions, price relationships in comparison with the first half of 1952 are much in favour of skim milk as opposed to whole milk products. The effect is evident in expanding production of these lines and of their by-product, butter. The full impact of increased production, lower prices and tougher sales competition shows in the substantial support purchases which the government trading organization for dairy products had to make this year. At the end of June, stocks purchased at support prices were: about 11,000 tons of butter, 2,000 tons of cheese, 5,000 tons of spray skim milk powder and 3,500 tons of roller skim milk powder. Normally such products are disposed of at a loss on the domestic market or abroad. Butter surpluses in recent years have been sold to the United Kingdom at bargain prices.

Production vs. Marketing

Pork and egg production in the latter half of 1953 will likely exceed production in the same period in 1952 by 5 per cent and 30 per cent respectively, according to a recent statement by the Minister of Agriculture. In concrete terms, this will mean a production of three million hogs for 1953, or an additional 350 thousand to market compared with 1952. It also means exporting 1,000 million eggs instead of 680 million in the second half of the year. The Minister of Agriculture feels that the marketing task involved is not unreasonable. At the same time, he warned that under present conditions an annual production of three million hogs is the maximum warranted by sales possibilities and that unlimited expansion of poultry stock is not expedient. In other words, production must be harmonized with marketing opportunities or farmers will face the alternative of official restrictions.

—C. J. Small

Acting Agricultural Secretary for Canada

Commodity Notes

AUSTRALIA

Gold—Western Australia's gold production for the first half of this year shows an increase of 50,000 oz., as compared with the first half of 1952. Perth mint receipts of gold produced in Western Australia from January to June 30, 1953, were 406,969 fine oz.; the figure for the same period last year was 350,206 oz., and for 1951, 318,144 oz. Some of the increase reflects the need to mine higher-grade ore to meet rising costs, but a large proportion of the new gold won comes from new producers. The results indicate that Western Australia's gold areas are far from impoverished and that the industry has an amazing resilience—Melbourne, Aug. 10.

Coated Papers—It is reported that Moulded Products (A'asia) Ltd., the largest plastics manufacturer in Australia, will shortly begin production of nyathene (polythene) coated papers and board, which will be marketed in Australia by the Bowater Paper Co. Limited, a wholly owned subsidiary of the Bowater Paper Corporation Ltd. of England. Two technical officers of Moulded Products have recently returned from the United States, where they acquired the latest information for use in the production of the new material—Melbourne, Aug. 7.

Uranium Oxide—The Australian Atomic Energy Commission has issued a schedule of prices for uranium-bearing ores and concentrates. The prices range from £10 a ton for ore with a uranium oxide content of 0·25 per cent by weight to £504 a ton for 10 per cent ore. Higher prices may be considered in special circumstances. The schedule applies to Rum Jungle and other purchase points which may be notified. These prices will apply up to a limit of 20,000 tons of ore purchased from any one producer in any one year. The minimum prices are guaranteed for five years from July 1, 1953—Melbourne, Aug. 5.

BRAZIL

Jeeps—The Rover Company Ltd., of Solihull, England, manufacturers of automobiles and Land-Rover jeeps, has concluded negotiations to install a factory in São Paulo. "Rover do Brasil S.A." will make the same line manufactured in Great Britain—São Paulo, Aug. 14.

Oil—Ships bringing equipment from the U.S. for installations at the Capuava oil refinery have been arriving in Santos. The refinery's initial production will be 20,000 barrels of 159 litres a day which can

be increased later to 60,000 barrels a day. Initial gasoline production is estimated at 2·3 million litres a day, in addition to numerous by-products—São Paulo, Aug. 12.

Tea—Brazil produced 2,800 tons of India tea in 1952, valued at Cr.$56,041,000—Rio de Janeiro, Aug. 14.

Sugar—Brazilian sugar production amounted to 29,497,314 bags by March 31, exceeding official estimates for the 1952-53 crop. It is likely that this year's sugar production will be the highest ever attained—Rio de Janeiro, Aug. 14.

BRITISH GUIANA

Rice—The rice crop for 1951-52 was a record 67,000 tons. Exports for the period were 31,197 tons, of which 739 tons were packages of high-grade, whole-grain super rice. Production for the current year is estimated at a new high of 76,000 tons—Port of Spain, Aug. 11.

INDONESIA

Quinine—Quinine production in Indonesia is estimated at about 1,206 metric tons. Because foreign demand for it has declined, production has been reduced until it is now only one-tenth of the industry's potential capacity—Djakarta, Aug. 6.

Sugar—Sugar production in Indonesia for 1953 is estimated at 600 thousand metric tons. It is anticipated that 150 thousand tons will be available for export this year—Djakarta, Aug. 6.

Copra—Exports of copra for the first six months of 1953 amounted to 93,052 metric tons, as against 186,880 metric tons in the same period of 1952. The decline does not reflect a decrease in production, as it is reported that 108 thousand tons were used in the first half of the year for the local coconut oil industry—Djakarta, Aug. 6.

MEXICO

Vegetable Oils—Approximately 141,200 metric tons of vegetable oils will be produced in Mexico this year. The National Bank of Foreign Commerce, a government agency, stated that production will comprise 40 per cent of cottonseed oil, 30 per cent of sesame oil, 24 per cent of coconut oil and 6 per cent of peanut oil—Mexico, D.F., Aug. 13.

Pulp—More than 9,000 metric tons of pulp, made from sugar cane waste (bagasse) will be produced annually in Mexico with machinery already purchased in the U.K., some of which is now being installed.

Imports of pulp amounted to 43,351 metric tons in 1951 and 44,246 tons last year. It is expected that the new pulp factory at Ayotla, state of Morelos, will supply about one-fifth of the needs of paper manufacturers, even though the demand for pulp will continue to increase year by year—Mexico, D.F., Aug. 15.

NETHERLANDS

Automobiles—The only Netherlands automobile factory, near Einhoven, which has been producing a line of trucks and military vehicles, is now designing a two, four and six-cylinder passenger car, equipped with a simple four stroke, air-cooled engine. Mass production of a cheap car of the *Volkswagen* type is also contemplated. The Netherlands automobile factory D.A.F., one of the best equipped in Western Europe, was founded in 1928 and covers an area of about half a million square feet. The factory employs about 2,000 workers—The Hague, Aug. 28.

NORWAY

Cylinder Pressure Indicators—A new factory has recently been erected near Haugesund on the southwest coast of Norway for the production of cylinder pressure indicators for multi-cylinder diesel engines. These indicators have been imported, mainly from the United States and Germany. The Norwegian type of indicator differs from the American product because manometers and valves are no longer required. The indicator is used to measure compression and combustion pressure and it can register pressure from 0 to 70 kilograms per square centimetre. The new factory has already placed the first indicators on the market and they are considerably cheaper than the imported article. The factory also intends to take up the manufacture of fuel filters for diesel engines, which have hitherto been imported—Oslo, Aug. 25.

SOUTH AFRICA

Citrus Crop—Because of a phenomenal increase in plantings since the war, South Africa's citrus crop will be about 50 per cent larger in 1960 than it is now. A recent survey has shown that the citrus crop will probably increase from 1956 on. South Africa is now selling oranges in Europe, Asia and other areas. The biggest buyer is Britain—Johannesburg, Aug. 20.

TRINIDAD

Petroleum—During the first quarter of 1953, production of crude petroleum was more than 5·4 million barrels; imports were over 4·6 million barrels. Natural gas production amounted to 8·2 million cubic feet. At the natural pitch lake, 42,617 tons of asphalt were produced during the period—Port of Spain, Aug. 18.

WEST GERMANY

Low-Grade Ore Steel—The German Government, which controls ownership, has re-opened the so-called Watenstedt-Salzgitter low-grade ore field for production of steel. This project was first undertaken between the years 1937 and 1944.

It is expected that the three furnaces in operation will have a processing capacity of 250 thousand tons of crude steel. In addition, another 600 thousand tons of crude steel capacity are anticipated from three other converters still under construction. A new rolling mill with three to four thousand tons capacity is expected to be completed by the middle of 1954—Bonn, Aug. 31.

Israel Restores Her Forests

The arid hills and valleys of Israel are being gradually replanted with trees that will conserve the soil and provide material for local industries. But at the moment large imports of lumber are still necessary.

ATHENS—Centuries of neglect and maltreatment have stripped the Holy Land of the forests of ancient times. The reforestation program begun during the British mandate is being continued by the Department of Forests of the Israel Ministry of Agriculture. The Department's program, still in its initial stages, includes the protection and management of forest reserves, reforestation of lands unsuitable for agriculture, research, and education of the public in the importance of forestry to the national economy. At the same time, its plantation work is providing employment for new arrivals in the country.

The Department's research station is equipped with a wood technology laboratory, a forest library and a modern seed store. Contacts are maintained with foreign institutions and with the European headquarters of the Food and Agriculture Organization. Several members of the Forestry Department have been sent abroad to study forestry methods, and foreign experts, such as Roy Cameron, formerly of the Canadian Forestry Service, and Professor A. de Phillippis of Italy, have spent some time in the country to help organize a policy and program.

Forestry Program

It is estimated that the projected forestry program will cover a potential area of 375 thousand acres without encroaching on agricultural land, and yield 350 thousand cubic metres of lumber a year (one cubic metre equals 425 FBM). The most important specie being planted, (at present on some 25,000 acres) is the pinus halepensis and other pines. At the moment these plantings yield only small poles for vineyards. The potential area suited to the growth of such pines is 150 thousand acres, calculated to yield, on the basis of a 60-year rotation, about 180 thousand cubic metres a year—sufficient to cover the local needs for citrus boxes and scaffolding.

Next in importance is the eucalyptus in various sub-species, good for furniture manufacture. The total area planted to eucalyptus, including roadside plantations, is approximately 6,250 acres; the estimated area considered suitable for this tree is about 25,000 acres, which is expected to yield, after only seven years' growth, 75,000 cubic metres a year.

The coastal sand dunes and the Negev desert area seem suited to the planting of 150 thousand acres of tamarix. This area would yield 60,000 cubic metres a year on the basis of a 70-year rotation period. The wood should be suitable for furniture manufacture, general joinery work and possibly veneers. Poplars and willow, to be grown on an area of 1,000 acres in the Hulleh Valley—beside canals and fish ponds, in marshes and

—Israel Office of Information.

These workers are planting acacia seedlings at Elah, on the southern tip of the Negev region. The eroded hills in the background give proof of the need for adequate forest cover in many sections of Israel.

other irrigated places—should yield a further 4,000 cubic metres a year. Natural vegetation (carab, oak, etc.) will eventually cover 25,000 acres and yield a potential 10,000 cubic metres a year.

The local woodworking industry includes a small number of modern factories but is made up principally of small joinery shops and depends largely on imported lumber. A large part of the industry produces the doors, window and door frames, Venetian blinds and French shutters required by the very important building industry. Prefabricated houses, eagerly sought after by the thousands of newcomers to the country, have been a leading product in recent years. Other factories specialize in cabinet-making, folding furniture, ice boxes, tool handles, industrial accessories, etc.

Box shooks for the six million standard boxes required each year to pack citrus fruit for export are imported, but plans for a modern sawmill to produce them from imported African logs are progressing. Two other smaller sawmills are also being erected; they will use logs from Corsica and Southeast Europe.

During the past few years three modern plywood factories, with an annual total capacity of 24,000 cubic metres (10·2 million FBM) have begun production. At first these factories used Canadian birch logs, but now they are turning to West African logs because of dollar exchange difficulties. Their products already cover local needs and have found export markets. Two factories, one for hardboards and one for paper products, to use partly imported and partly local raw materials, are under construction.

Until the new forestry program begins to show results Israel must rely on imports to meet her estimated annual lumber requirements. These are: 51 million FBM whitewood construction lumber, mainly used for scaffolding, concrete forms and casemaking; 25·5 million FBM redwood for the manufacture of doors, windows, blinds and general joinery work; about 21·3 million FBM box shooks for the vital citrus export industry; about 8·5 million FBM in rough logs; approximately 100 thousand railway ties; and several thousand telephone and telegraph poles.

Unfortunately, opportunities for Canadian lumber are limited at present because of Israel's foreign exchange difficulties. Most supplies are obtained from European sources under bilateral clearing agreements or on medium-term credit. However, Canadian exports of sawn lumber to Israel totalled $278 thousand in 1950 (2·7 million FBM), $1·9 million in 1951 (18·9 million FBM), and $572 thousand in 1952 (6·1 million FBM). They were made up mainly of Douglas fir, hemlock and spruce.

—H. W. Richardson
Commercial Secretary for Canada

Australia's Gold Production

MELBOURNE—Although gold production in Australia is still much below prewar, official figures show that output has increased during the last two years. The upward trend continued in the first quarter of 1953. Production in the postwar years compared with 1939 is shown in the following table:

Australian Mine Production of Gold

(in fine oz.)

1939	1,645,697	1950	869,537
1946	824,480	1951	895,536
1947	937,654	1952	982,240
1948	885,507	1952 January-March	215,717
1949	889,058	1953 " "	249,615

Since November 1951, the bulk of Australian gold production has been sold for dollars on overseas premium markets for a return higher than the official fixed price of £A15.9.10d. per fine oz. In December of that year, the premium averaged £1.3.6d. per fine oz.; throughout 1952 it ranged between £1.11.1d. and 14/–, and averaged £1.0.6d. In each of the first three months of 1953 the premium has averaged £1.3.1d., 17/5d. and 16/4d., respectively.

These extra returns have undoubtedly played a part in stimulating greater activity within the industry, but producers realize they cannot rely too much on this factor because of the marked variation in the premium obtained from one month to the next. The bulk of the increase in output during 1952 came from Western Australia where operations were limited to the treatment of higher grade ores because of rising costs.

Canada's Trade with the Bahamas

Canada's sales in the Bahamas market have increased since 1938, though her proportionate share in this trade has dropped slightly. Competition from the U.S. and from sterling countries continues keen.

KINGSTON—The economy of the Bahamas, with its 80,000 population, fundamentally is based on the tourist trade This trade is centered in Nassau and the visitors come largely from Canada and the United States. They create a demand for quality goods, largely from North America. Local industry is very small and unimportant.

Leading Suppliers

As in Jamaica, the great proportion of imports come from three sources—the United Kingdom, the United States, and Canada. The table below gives exports and imports for the years 1938 and 1951, and shows the percentage going to, or originating in, each of the three countries. (Bahamas' statistics).

TRADE OF JAMAICA

	1938				1951			
	Imports value c.i.f.	%	Exports value f.o.b.	%	Imports value c.i.f.	%	Exports* value f.ob	%
Total	£1,138,909	100	£148,477	100	£7,650,419	100	£728,680	100
U.K.	264,986	23·3	41,992	28·3	2,040,657	26·6	70,548	9·7
Canada ..	131,677	11·6	36,191	24·3	777,200	10·1	95,059	13·1
U.S.	513,340	45·0	34,313	22·9	3,179,996	41·2	186,066	25·5

* Not including re-exports.

Assuming that prices have increased by about two and a half times between 1938 and 1951, it seems that 1951 imports from Canada were still substantially greater by the 1938 price standard, although Canada's share of the market has fallen slightly. The United States has remained the leading supplier and the United Kingdom gained only slightly.

Trend Through the Years

What are the principal commodities in the Bahamas' purchases from Canada and have they changed over the years? An analysis of the statistics shows that the composition of Canada's imports to the Bahamas has scarcely varied since 1938, though trade in the individual commodities has sometimes fluctuated. The table below gives the ten leading Canadian imports into the Bahamas in 1951, by value, and compares them with total imports of each commodity.

IMPORTS FROM CANADA

Commodity	Imports from Canada (1951)	Total Imports 1951
Flour of wheat	£219,543	£220,644
Evaporated milk	66,845	77,167
Lumber	66,123	136,679
Hams and bacon	35,797	74,984
Other meat, canned	34,063	54,546
Potatoes	24,984	31,309
Fresh meat	19,624	264,447
Whisky	18,927	70,724
Shingles	18,749	37,486
Paper (including toilet, wrapping, bags)	17,388	93,787

Sources of Imports

In some of these commodities, the main competition comes from sterling countries, which reap the benefit of the present import restrictions against dollar goods. Australia supplied in 1951 nearly half the fresh meat purchased, more than two-thirds of the canned beef and pork, and nearly four-fifths of the condensed milk. The United Kingdom is the source of practically all the imports of biscuits, confectionery, chinaware, lard, tires, and common soap. Britain also supplies over half the roasted coffee, boots and shoes of rubber, whisky, toys and games, and nearly half the toilet preparations. Nearly half the butter brought in now comes from New Zealand; in 1938, Canada had, proportionately, nearly as large a share as New Zealand in that trade.

The United States now supplies a slightly smaller percentage of the total imports into the Bahamas than in 1938, but in certain lines Canada finds it difficult to compete with U.S. products. From the United States comes half the cheese imported, about two-thirds of the apples, two-thirds of the jams and jellies, half the pickled beef and pork, about two-fifths of the hams and bacon, three-quarters of the canned vegetables, and nearly all of the poultry and game.

Nor are imports from the United States by any means confined to foodstuffs. U.S. manufacturers supply the major portion of the following goods: insecticides, fertilizers, medicines and drugs, machinery, wire fencing, auto parts, paper, boots and shoes (not rubber), electrical apparatus, furniture, glassware, hardware, hosiery, and hats and caps.

Trend of Sales

In certain categories of imports, Canada has been able, since 1938, to increase her share of the market in the Bahamas. The products which have registered sales increases include flour, canned fish, hams and bacon, evaporated milk, whisky, medicines and drugs, lumber, shingles, and stationery. Products which have lost ground in this market include butter, cornmeal, lard, canned beef and pork, hats and caps, tires, rubber boots and shoes, and cement. Foodstuffs take first place in Canadian goods going to the Bahamas; the only other important imports are lumber and shingles, toilet preparations, and possibly paper products.

Looking back to prewar days, it is possible to see certain reasons why Canada now has a smaller share of the market in the Bahamas, percentage-wise, than she enjoyed in 1938. Then, shipping services from Canada to the Islands were adequate and refrigerated space available. The British

preferential tariff rates were in effect and restrictions on imports were not necessary. Today ocean freight services continue to be good but refrigerated space is lacking. Tariffs remain the same, but severe import restrictions, because of the dollar shortage, operate against goods from Canada and the United States.

A number of other factors seem to militate against the demand for Canadian products:

- Frequent freight sailings from Miami (only 200 miles distant) and consequent lower freight rates. This is important because duties are charged on c.i.f. values.

- Small quantities purchased frequently from Miami simplify the buyer's stock position and financing. These advantages apply in lesser degree also to purchases from New York.

- Carlot purchases from Canada, to obtain the best price and freight, provide too great a quantity for most importers.

- The Miami freight advantage is most noticeable in bulky goods such as furniture and electrical appliances (refrigerators).

- Proportionately few Canadian salesmen visit the market to try for what dollar business there is.

If the import restrictions were removed, dollar trade would probably improve. However, at best the Bahamas would continue to be a relatively small market for Canadian products—perhaps for $3 to $4 million worth a year.

—M. B. Palmer
Canadian Government Trade Commissioner

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Thirteen Months at Sindri . . .

The great fertilizer factory at Sindri, built in a one-time jungle, made a small profit in its first 13 months; is proving invaluable in the grow-more-food campaign now under way.

NEW DELHI—An outstanding illustration of India's industrial and economic progress is the Sindri fertilizer factory, the largest in Asia and the first of the big government-owned projects to begin full operations since India achieved independence. The factory was formally opened just over a year ago, although limited production began several months before. Sindri Fertilizers and Chemicals Limited is a private limited company with the Government as the sole shareholder. It has a rated capacity of 1,000 long tons of ammonium sulphate a day and current production has almost reached this level.

The factory is situated on the banks of the Damodar River adjacent to rich coalfields which provide the 1,200 tons of coal which the plant uses every day. The Damodar has been dammed to provide water and electricity comes from its own thermal plant which generates the 60,000 kw. required by Sindri, as well as 20,000 kw. which is supplied to the Damodar electric system as a thermal bridge when water is low.

Obtaining Raw Materials

The principal raw material used in the production of ammonium sulphate is gypsum—1,800 tons a day, obtained in the central part of India. Coke requirements, estimated at 500-600 tons per day, are obtained from the Indian Iron and Steel Co. Ltd. in nearby Bengal. However, arrangements have been made to instal a battery of coke ovens at the Sindri plant to produce 600 tons of coke per day.

By-products of the plant will provide raw materials for two more industries which are to be established at Sindri. The first will be a small plant producing urea and ammonium nitrate at the rate of 32 to 35 tons per day. The gases from the coke ovens will provide the basic raw material for these products. The second is to be a cement factory which will use the principal by-product of the fertilizer plant, calcium carbonate sludge.

Township Planned

A township planned on modern lines to accommodate the staff of the factory has been designed to cover an area of over 400 acres. There is a central 100-bed hospital and such other amenities as welfare centres, clubs, schools and markets.

—Indian Information Bureau.

To accommodate the workers at Sindri, here seen going off shift, a modern town has been built on a 400-acre site. It includes a hospital, welfare centre, schools, markets, and even social clubs.

The cost of the Sindri plant so far is estimated to be Rs.2,300 million (about $48 million). The company recently issued its first balance-sheet and profit and loss statement, covering operations during the thirteen months ended March 31, 1953. From gross profits, the sum of Rs.3,516,414 (approximately $750 thousand) was deducted for payment of interest on capital investment. The net profit was Rs.95,883 (approximately $20,000). Paid-up capital is Rs.170 million (about $33 million), which makes Sindri India's largest business unit, except for the Indian Railways which are state-owned. In addition, the Government of India has loaned Sindri a further Rs.75 million ($15 million).

Ammonium Sulphate Produced

It is generally considered that Sindri has made a good start. The production of ammonium sulphate in India saves expenditure of foreign exchange totalling approximately Rs.100 million ($20 million) a year by reducing imports of fertilizer. This is most important for the Indian economy. However, price is also important and the Sindri plant has been able to make its product available at prices lower than the landed cost of imported ammonium sulphate. It is expected that production costs and thus the price of ammonium sulphate can be cut further.

There have been some difficulties in transporting stocks of ammonium sulphate throughout the country and in marketing it. At the present time, the Agricultural Departments of the State Governments are responsible for distribution and sales within their states, but the Sindri management may establish its own marketing organization.

The use of fertilizers, and particularly of ammonium sulphate, is of vital importance to India. Because of the shortage of fuel, animal manure is made into cakes and used instead of wood or coal by the majority of Indian agriculturalists. This means it is not returned to the land as fertilizer. Therefore, the need for increasing amounts of ammonium sulphate for Indian food production is acute, especially if the important target of self-sufficiency in food grains is to be achieved.

Fertilizers Badly Needed

If nitrogenous fertilizers were applied to Indian agriculture on a country-wide scale for all soils and all crops, the annual requirements of ammonium sulphate would be about 12 to 13 million tons. However, present requirements are estimated at $2\frac{1}{4}$ million tons. The use of even this minimum, however, presents several difficulties. The main one is convincing the Indian farmer of the value of fertilizer and the proper methods of using it. In addition, the cost of fertilizer is beyond the reach of a great number of peasant farmers unless some form of credit can be devised.

At present, therefore, the annual consumption of ammonium sulphate in India is estimated at 450 thousand tons and it is thought that this figure will increase to 600 thousand tons by 1956. Indian production at present is rated at 428,670 tons a year, comprising the production at Sindri (350 thousand tons) and three other much smaller plants. The small net deficit is made up by imports, which today are about 65,000 tons a year.

—R. K. Thomson
Acting Commercial Secretary for Canada

For a story on the building of this plant, see "Foreign Trade" of June 28, 1952.

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Australia's Petroleum Industry

SYDNEY—The demand for petroleum products in Australia, as in other countries, is growing rapidly and the market is absorbing more and more of all the principal products—including aviation gasoline, motor gasoline, kerosene, lubricating oils, gas oil, diesel oil and fuel oil.

Because Australia has no natural crude oil, she must depend almost entirely upon imports of petroleum from overseas, either refined products or crude oil for local refining. Prospecting for oil has recently been intensified but, though suitable geological structures have been found, so far no one has struck oil. The principal areas under investigation lie in Western Australia and South Australia, although the search has extended to Victoria, Queensland and Papua. The only indigenous liquid fuels are coke-oven benzol and power alcohol used for blending with motor gasoline. Australia draws her supplies of motor gasoline, kerosene and crude oil almost equally from Middle Eastern and Far Eastern fields; most of the lubricating oil and some aviation gasoline is imported from the United States.

Industry Being Developed

In recent years the world-wide trend towards refining crude petroleum at the source rather than at the point of consumption has been changing and, even without supplies of natural crude oil, Australia is developing a petroleum refining industry. This industry provides a small percentage of the petroleum products consumed; most of the refined products are imported. At present there are refineries in each of the States and plans to expand refining capacity are going forward.

Refining Plants Going Up

The most important development is the new refinery being built by the Anglo-Iranian Oil Co. at Kwinana in Western Australia, at a cost of £A50 million. The Shell Oil Co. is constructing a refinery at Geelong, Victoria; Caltex is building one at Kurnell, just outside Sydney. In addition, Standard-Vacuum Refining Co. Ltd., is spending £A17 million on a modern catalytic cracking plant beside its refinery at Altona near Melbourne. When these four new major refineries are operating, between 1954 and 1956, they will add 5·9 million tons of oil a year to the local refining capacity. When one realizes that total refinery production in Australia for the year ended December 1952 was under 950 thousand and consisted mainly of motor gasoline and fuel oil, one gets a clearer idea of what this expansion means.

Late in May, the Shell Company also opened a lubrication oil plant and research laboratory at Clyde, New South Wales, representing an

investment of £220,000. It is scheduled to produce about two million gallons of new oils for industry each year, and should make Queensland and New South Wales independent of imported oils.

All the refineries in Australia are straight distillation only and the proportion of products derived from crude oil varies with the characteristics of the crude itself. The supply of petroleum products to the Australian market meets the present demand, but within the next few years a much higher proportion will come from local refineries. The range of products may not necessarily fit the Australian pattern of consumption and possibly some of the refined products will be exported while certain products—such as lubricating oils—will continue to be imported. It is certain, however, that within the next four years local refineries will supply most of Australia's refined petroleum products; at present, 80 per cent of these products are imported.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Trade and Tariff Regulations

CZECHOSLOVAKIA

Specific Duties Adjusted Following Revaluation—Effective June 2, all customs duties expressed in crowns on goods imported into Czechoslovakia are being converted at the rate of five old crowns to one new crown by virtue of the Czechoslovak Act on Monetary Reform of May 30. This means an increase in the duties.

Duties on items bound under the General Agreement on Tariffs and Trade, however, will be multiplied by the coefficient of 0·72, which has the effect of maintaining the existing levels of duties on these items.

UNITED KINGDOM

Imports of Synthetic Yarns and Fibre from Dollar Sources—The Board of Trade, in a notice of August 29, announced that, in order to assist manufacturers to extend the range of their exports of textiles, they are willing to consider applications for licences to import from dollar sources limited quantities of particular synthetic yarns and fibre of types not at present produced in the United Kingdom.

Licences will be issued to those applicants who, on the basis of past performance or other relevant considerations, are most likely in the view of the Board of Trade to so extend their exports.

Applicants will be required to undertake to export initially at least 50 per cent of the imported yarn or fibre after processing in the United Kingdom.

General Notes

AUSTRALIA

Gasoline Prices Reduced—The retail price of gasoline throughout Australia, which is subject to price control, has been reduced by $1\frac{1}{2}$d. a gallon. Lighting and power kerosene has been reduced by $\frac{1}{2}$d. a gallon, distillate by 1d. a gallon, and diesel and furnace oil by £1 a ton. This means that in the Sydney metropolitan area, the price of gas has dropped from 3/$6\frac{1}{2}$ to 3/5d. a gallon. The oil companies applied for an increase in price, based on higher overhead costs and the fact that the world price had risen. But the Prices Minister decided to reduce the price by $1\frac{1}{2}$d. a gallon, asserting that lower freight rates have meant lower landed costs—Sydney, Aug. 9.

BARBADOS

Flour Trade—Since April 1, 1953, when the Government of Barbados discontinued the bulk purchasing, price control, and subsidization of flour, the trade has been conducted smoothly through commercial channels. Stocks have remained steady and both bakers and retailers have been well supplied. Some household brands in small packages have appeared on the market and are in good demand. The price has increased only by the amount of the previous subsidy, and there has been no increase in expenditures of hard currency for flour—Port of Spain, Aug. 19.

GRENADA

Livestock Breeding Unit—The first of three livestock breeding units has been established by the Agriculture Department to assist peasant stock owners. The unit consists of a Jersey bull, a large black boar, a British Alpine ram and a Wiltshire horn ram. These units are being set up under a Colonial Development and Welfare scheme for the development of small-scale agriculture in Grenada. The Department of Agriculture also is appointing an expert to organize an artificial insemination scheme for colony-wide cattle breeding—Port of Spain, Aug. 19.

ISRAEL

Goods on Credit from U.K.—Long-term credit facilities have recently been extended to Israel by two British firms following approval by the Board of Trade and Bank of England. The first covers the sale of tractors to the value of £300 thousand on the basis of 25 per cent cash and the remainder on a three-year credit. The second sale

involves 100 omnibus bodies valued at $600 thousand, to be settled by a 15 per cent cash payment on delivery and the remaining 85 per cent through a four-year credit—Athens, Aug. 17.

MEXICO

Trade Balance—Foreign trade balances deteriorated in April-June, and an excess of imports of 251·6 million pesos in June brought the unfavourable balance for the first half of the year up to 583·6 million. In 1952, Mexico's imports exceeded exports by 1,268·4 million pesos—Mexico, D.F., Aug. 26.

SCOTLAND

Steel Development—Important development schemes for the Scottish iron and steel industry have been announced in the second report of the Iron and Steel Corporation of Great Britain. A scheme for a new blast furnace, steel-making furnaces and rolling mills is estimated to cost £25 million. The new plant will be associated with the installation of extra ore handling equipment at Glasgow docks and will create an integrated iron and steel works at Motherwell. A £9 million scheme for coke ovens and blast furnaces, mainly for foundry work at a Gartsherrie iron works, is also included in the plan—London, Aug. 28.

SURINAM

Trade Improves—Surinam's total value of trade in 1952 amounted to 102 million guilders, as compared with 85 million in 1951 and 71 million in 1950, according to a press announcement by the Minister of Economic Affairs. Gold and foreign exchange reserves at January 1, 1953, stood at 14·9 million guilders, an increase of 5·6 million over the previous year. During 1952 the Government's budget showed a credit balance of 6·4 million guilders—Port of Spain, Aug. 19.

TRINIDAD

Price Decontrol Succeeds—A survey shows successful results from the removal of price controls on a large number of commodities during the past six months. No signs of profiteering, price manipulation or improper distribution of goods have appeared, and in some instances prices have moved downward—Port of Spain, Aug. 17.

UNITED KINGDOM

Engineering Exports—The United Kingdom's share of the world market for engineering products is determined mainly by her ability to compete with the United States and Germany. According to an official estimate, in the first five months of this year the annual rate of exports of British engineering equipment fell by 3 per cent in value as compared with last year. During this period, Germany's rate remained constant. The export rate from the United States in the first five months rose by 3 per cent. Britain appears to have lost a little ground and there is no reason to suppose at the moment that British engineering exports are rising faster than those of the other two countries—London, Aug. 31.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. He will visit Montreal, September 21-25, and Toronto, October 19-24.

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Winnipeg—September 16
Calgary—September 18
Vancouver—September 21-26
Montreal—September 30-October 10

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, began a tour of Canada in Montreal, September 8-15.

Arvida—September 16
Peterborough—September 18
Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 12
Ottawa—October 13-16

B. A. Macdonald, Commercial Counsellor for Canada in Bonn, Germany, began a tour of Canada in Ottawa, July 6-10. His itinerary is:

Vancouver: Victoria—September 9-16
Ottawa—September 28-October 2

Note: Mr. Macdonald's tour of Ontario was postponed temporarily because of illness.

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, began a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Edmonton—September 16
Winnipeg—September 18
Ottawa—September 21-22
Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Toronto—September 14-19
Guelph: Fergus—September 21
Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 12-13
Ottawa—October 15-17

Businessmen may get in touch with these officers through the Board of Trade in Brantford, Guelph and Montreal; the Chamber of Commerce in Calgary, Kitchener, London, St. Catharines, Windsor, Sarnia, Hamilton, Peterborough, Preston and Arvida; the Canadian Manufacturers Association in Edmonton, Winnipeg and Toronto; the Dept. of Trade and Industry in Victoria; and the Department of Trade and Commerce in Ottawa and Vancouver (355 Burrard St.).

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad................September 5

Head Office Directory ....July 11

Area Breakdown, Foreign Trade Service..........April 18

Foreign Commercial Representatives in Canada....August 8

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01138.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Sept. 3*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1318	
		Basic buying	·1977	
		Preferential selling	·1977	(1)
		Basic selling	·1318	
		Free	·07117	
Austria	Schilling		·03803	
Australia	Pound		2·2215	
BelgiumLuxembourg & Belgian Dependencies	Franc		·01982	
Bolivia	Boliviano	Official	·00520	
British West Indies	Dollar		·5785	(3)
	Pound		2·7769	(4)
	Dollar	Brit. Honduras	·6942	
Brazil	Cruzeiro	Official	·05346	tax 8%
		Free	·02502	(2)
Burma	Kyat		·2076	
Ceylon	Rupee		·2083	
Chile	Peso		·00899	
Colombia	Peso	Basic	·3955	
Costa Rica	Colon	Official	·1761	(5)
		Free	·1489	*
Cuba	Peso		·9887	tax 2%
Czechoslovakia	Koruna		·1373	
Denmark	Krone		·1431	
Dominican Republic	Peso		·9887	
Ecuador	Sucre	Official	·06592	(6)
		Free	·05699	
Egypt	Pound		2·8393	
Fiji	Pound		2·5017	
Finland	Markka		·00430	
France	Franc		·00283	
French Africa	Franc		·00565	
French Pacific	Franc		·01555	
Germany	D Mark		·2354	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9987	
Haiti	Gourde		·1977	
Honduras	Lempira		·4944	
Hong Kong	Dollar	Free	·1657	*Aug. 14
Iceland	Krona	Official	·06071	
		Special buying	·04675	
		Special selling	·03767	
India	Rupee		·2083	
Indonesia	Rupiah	Basic	·08673	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Sept. 3	Notes (See below)
Iran	Rial	Certificate I	·03066	*
		Certificate II	·00986	*
Iraq	Dinar		2·7685	
Ireland	Pound		2·7768	
Israel	Pound	Basic	2·7685	
		Special	1·3843	
		Investment	·9888	
Italy	Lira		·00159	
Japan	Yen		·00275	
Lebanon	Pound	Free	·3028	
Mexico	Peso		·1143	
Netherlands	Guilder		·2602	
Netherlands Antilles	Guilder		·5243	
New Zealand	Pound		2·7768	
Nicaragua	Cordoba	Effective buying	·1498	(8)
		Official selling	·1402	
		With Surcharge I	·1228	
		With Surcharge II	·09383	
Norway	Krone		·1384	
Pakistan	Rupee		·2988	
Panama	Balboa		·9887	
Paraguay	Guarani	Basic	·06579	(1)
		With Surcharge I	·04708	(9)
		With Surcharge II	·03296	
Peru	Sol	Certificate	·05840	
Philippines	Peso		·4944	tax 17% (2)
Portugal	Escudo		·03450	
El Salvador	Colon		·3955	
Singapore & Malaya	Straits dollar		·3240	
South Africa (Union of)	Pound		2·7768	
Spain & Dependencies	Peseta	Basic buying	·04515	
		Basic selling	·08812	
		Basic commercial selling	·06020	(1)
		Free	·02510	
Sweden	Krona		·1911	
Switzerland	Franc		·2307	
Syria	Pound	Free	·2783	*July 15
Thailand	Baht	Official	·07910	(1)
		Free	·05647	*June 30
Turkey	Lira		·3531	
United Kingdom	Pound		2·7769	
United States	Dollar		·9888	
Uruguay	Peso	Official	·6509	
		Basic buying	·5555	
		Special buying	·4207	(1)
		Basic selling	·5204	
		Special selling	·4036	
Venezuela	Bolivar		·2951	(10)
Yugoslavia	Dinar		·00330	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

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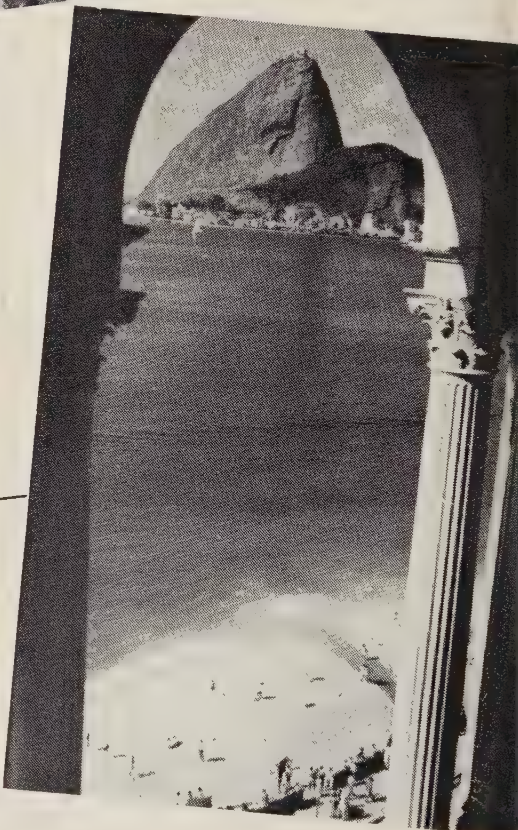

Latin America—what a place for business, and for pleasure too! Too bad not many of us can just pick up and go.

But Foreign Trade can help the stay-at-homes. The September 26 issue will be made up of reports on business conditions in Latin America. Authoritative reports from ten offices of the Trade Commissioner Service.

Can't guarantee a wonderful time, but you'll find it a pleasure to have a complete picture of Latin American business in one issue.

foreign trade

SEPTEMBER 19, 1953

Dutch Steel: the Postwar Picture (page 2)

foreign trade

L. 14 OTTAWA, SEPTEMBER 19, 1953 NO. 351

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad Single copies: 10 cents each,

Dutch Steel: the Postwar Picture

Its expansion plans completed, the Dutch iron and steel industry takes stock of its competitive position and of the immediate sales outlook.

THE HAGUE—The Netherlands iron and steel industry has now completed its postwar expansion plans. The Royal Netherlands Iron and Steel Works situated at Ymuiden, the North Sea outlet for the port of Amsterdam, launched in June an affiliated company named "Breedband". The new plant consists of a semi-continuous hot strip mill, a continuous cold mill and a tinplate mill. The new semi-continuous hot strip mill will have an annual production of 210 thousand tons of sheet steel and the cold mill will further process the hot mill production. The tinplate mill will have an annual capacity of approximately 75,000 tons.

The Netherlands Government has been the principal investor in the expansion of Dutch iron and steel capacity. The new Breedband company has a capital of 125 million guilders, of which 87·5 million guilders are paid up. The Government is putting in 80 million guilders of which 65 million were derived from Marshall Aid counterpart funds. The Steel Works hold seven million guilders of Breedband's capital. Only 500 thousand guilders have been obtained from private investors. Breedband has taken two loans totalling 46 million guilders. One is for 20 million guilders under mortgage and the other for 26 million guilders, interest and redemption on which are guaranteed by the Government.

Iron and Steel Production

The Royal Netherlands Iron and Steel Works has blast furnaces with a total annual output of 600 thousand tons of pig iron. The steel plant, which uses pig iron and scrap, consists of five open hearth furnaces, each with a capacity of 180 tons. The company's steel blooming mill will send approximately half its production to the new Breedband steel processing organization. The other half it will retain in the Steel Works' heavy plate mill, which has an annual output of over 200 thousand tons. As a final step to round off the Netherlands iron and steel operations, the Steel Works plans a 50 per cent increase in its blast furnace capacity and the addition of two new batteries of coke ovens. It has arranged for the City of Amsterdam to use the manufactured gas resulting from the new coke oven installations.

The following table shows the production of the Ymuiden company during the past two years:

	1950-51 (in metric tons)	1951-52 (in metric tons)
Production of pig iron	458,527	506,708
Exports of pig iron	281,960	233,640
Production of steel blocks	329,866	379,159
Production of cast tubes	29,312	35,625
Production of thick sheets	158,901	194,651
Production of thin sheets	70,218	75,011
Production of beams	12,159	21,218
Production of fertilizers (in pure nitrogen)	46,681	60,991
Production of cement	227,000	314,634
Supply of gas to municipalities	70,103,496	80,810,688 cu. metres

The Netherlands iron and steel industry enjoys a particularly strong sales position because domestic demand is well in excess of production. Steel consumption in the Netherlands at present totals 1,200,000 tons a year of finished products. Production of the Netherlands industry is 850 thousand tons a year, resulting in approximately 600 thousand tons of finished products—about half the nation's needs.

The market for tinplate in the Netherlands is approximately 90,000 tons and the domestic industry supplies 75,000.

Based on Low-Cost Transport

Although the Netherlands must import practically all its raw materials for the iron and steel industry, it can carry on an economic operation because of low-cost water transport. The establishment of the Steel Works at a seaport connected to an inland canal system keeps raw material transport costs extremely low. The depletion of high-grade domestic iron ores in the chief industrial countries of Europe has made Holland competitive because her transport costs are lower.

High-grade ores with an iron content of 50 to 68 per cent come by ship to Ymuiden from Sweden, Spain, North Africa and France. Coal is transported by canal barges from Limburg, in the extreme southeast. This region supplies 60 per cent of the industry's total requirements. Limestone from the company's mines in Belgium moves by barge and coaster direct to the Ymuiden works. Finished iron and steel products can be sent to almost any point in the Netherlands via a network of canals.

Since World War II, the Netherlands has been working hard to increase the number of her industries. An ever-increasing population means that more jobs must be found for the 30,000 new workers who come into the labour market each year. The establishment of an iron and steel industry has meant that an increasing number of metalworking factories are being founded to finish the basic material provided by the Steel Works. Shipbuilding, which has always played an important part in the Netherlands economy, is the largest single user of iron and steel.

The Schuman Plan

The Netherlands iron and steel industry still views with some reserve the establishment of the European Coal and Steel Community. It feels that the results of the Schuman Plan will hinge upon the activities of the High Authority and its ability to carry out the principles established. The Schuman Plan came at a fortunate time when the industries of all countries involved were operating at a good level; the Netherlands iron and steel companies anticipate greater difficulties if and when production greatly exceeds demand. One concrete gain which Holland hopes for from the Schuman Plan is access to German coal, thus eliminating the need to import American coal and the consequent high transport cost.

In spite of a slowdown in world markets, the iron and steel industry in the Netherlands is confident that it can compete, thanks to its low-cost structure. It feels too that domestic demand will absorb a large part of the production. At present order books are full and no slackening of activity is in prospect for some time.

—W. G. Pybus
Assistant Commercial Secretary for Canada

76502—2

Cashew Nuts: a Dollar Earner

From Quilon, in the state of Travancore, come most of the cashew nuts used in Canada . . . and India is finding this small industry earns dollars in Canada and the U.S.

NEW DELHI—India is an important source of cashew nuts, a commodity which has figured prominently in Canadian-Indian trade for the past several years though the value of Canadian imports of cashew nuts is small compared with imports of jute and tea. Cashew nuts are of growing value to India as a dollar-earner because Canada and the United States, with the United Kingdom, are the principal markets for them.

The cashew nut industry has expanded considerably during the past fifteen years. Production is largely centered on the western seaboard of India between Bombay and Travancore and the principal export centres are Cochin, Mangalore and Bombay.

Portuguese missionaries are said to have introduced the cashew nut tree into India some 400 years ago. It is an evergreen tree growing to a height of 40 feet, with a rough bark and a fruit resembling the apple. It is a hardy, drought-resistant plant, sensitive to frost, and grows best in sandy soils. In India it is generally grown on low ridges which are too dry and stony for other crops.

Processing the Fruit

The fruit, which is about 2-3½ inches in length, is juicy and contains a hard, smooth, shiny nut holding the cashew kernel. A fully developed cashew nut tree is capable of producing 100 lb. of nuts in shell every year. The collecting season extends from March to the end of May or June.

After the fruit is plucked, the nut is extracted and taken to the factory. There are 164 cashew factories in India, the majority of them in or near the city of Quilon in the state of Travancore on the extreme southern tip of India. The nuts require delicate handling and consequently the labour force is largely female. The nuts are first sun-dried and then roasted. The methods of roasting are primitive although mechanized equipment is used in some of the larger factories. This machinery consists of a double-walled rotating drum which revolves over controlled flame. In another process, the nuts are roasted in a cashew shell oil bath.

After roasting, the nuts are opened and the kernels removed. This is a difficult operation and has to be done by hand to ensure that the kernel is not damaged. In the same process, the outer skin of the kernel is removed.

Main centre of the cashew nut industry is the state of Travancore. The photograph shows the canals at Quilon, in Travancore, where most of the 164 processing plants in India have been built.

The final step is grading and packing. The standard quality is 320 (signifying 320 pieces to the pound) and is the quality usually exported to Canada and the United States. Other common grades are: 210, 240, 400, 450, scorched wholes, butts, splits, pieces and small pieces. Four-gallon tins are usually used in packing and the net contents weigh 25 lb. The tins are infused with carbon dioxide gas and packed into one case.

Imports from Africa

India does not produce sufficient raw nuts to keep these factories busy. Approximately 60 per cent of the total supply is imported from Portuguese East Africa and British East Africa, where the nuts grow wild as they do in India. The trade in cashew nuts between India and Africa is largely controlled by a group of Bombay merchants through agents who collect the nuts by bartering cloth, pepper and other commodities. The raw nuts are then shipped to the factories in India for processing.

Of secondary importance in the cashew nut industry is the cashew shell oil extracted during processing. This oil is used as a waterproofing agent and as a preservative in the painting of boats, fishing nets and light woodwork. Under polymerization, cashew shell oil is used in a variety of products: insulating varnishes, typewriter rolls, oil and acid-proof setting cements, industrial flooring tiles and automobile brake linings.

The fruit of the cashew is largely wasted because there are no tinning and preserving facilities; it can be used to make a high class liquor.

The industry's location in South India is advantageous for a number of reasons. The climate and soil of the area are favourable for cashew production, the ports are well located for importing the African nuts and exporting the finished product, and the area provides an adequate supply of cheap labour. The industry employs approximately 100 thousand people and the average wage is about Rs.2 per day (43 cents). Finally, India is fortunate in its mercantile community who have built up this industry and have extended their operations to Africa to ensure a steady supply of the raw nuts.

Development Needed

However, a greater development of the Indian industry appears necessary. Large areas are available in South India for the further cultivation of cashew nuts but collection and transport facilities would have to be improved. Progress along these lines would help make India self-sufficient in cashew nuts. If quality grading, research in planting, cultivation and processing are given greater attention, the export of cashews to such important markets as Canada and the United States should be further stimulated.

The importance of cashews as a foreign exchange earner for India is shown by the value of exports of cashew kernels to foreign countries during the year ended March 31, 1953:

	Rupees	Dollars
United States	93,801,945	$19,885,911
United Kingdom	27,493,487	5,828,516
Canada	5,135,095	1,088,620
Australia	255,258	54,060
Other countries	957,045	202,884
Total exports for 12-month period	127,642,830	27,059,991

—R. K. Thomson
Acting Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

New England Takes Stock

. . . and finds 1953 a good year so far, with employment up, the textiles outlook improving, and business brisk—despite some weak spots.

BOSTON—The first half of 1953 proved to be a period of steady, healthy business for New England. Employment, production and earnings were near the peak. The usual summer slowdown developed in June and July but it was less pronounced than in recent years. Employment was higher than for the similar period last year and per capita earnings above the national average. There were indications of a growing shift to durable goods in a region which has traditionally produced non-durables.

The Industrial Scene

New products, methods and materials contributed in large measure to the region's prosperity while research-based industry, including plastics and electronics, continued its remarkable expansion. Approximately one-sixth of the nation's research laboratories are situated in New England.

The cotton textile industry recovered from the slump of 1952 and enjoyed a good six months. Employment was higher, prices improved, and some mills report output sold well into 1954. Rayon and the newer synthetic fabrics did well while woollen goods held their own in the face of rising costs. New England shoe factories experienced an improvement over the first six months of last year. Production for 1953 is estimated at 504 million pairs, one per cent under last year's 508·5 million. Inventories are now equal to three months' sales, as compared with the usual one and a half to two months' supply. Consequently, production for the second half-year will likely drop to 242 million pairs, as compared with the first half's 262 million.

Agricultural Outlook

Plantings were delayed in some areas by an unusually wet spring. Farmers' incomes were below those for similar months of last year as average prices for farm produce slipped. A larger crop of Maine potatoes is forecast from the same acreage as last year—some 63·8 million bushels compared with 52·2 million in 1952. The hay crop was excellent and dairymen were able to store a high quality reserve for the winter months. Milk prices to producers fell below those those of last year. Landings of fishery products at the Boston Fish Pier have been below those of the first half of 1952. Prices also were lower in the early months of the year but have held more steady and in June were topping 1952 levels. Cold storage holdings of frozen fillets in New England have been reduced to levels slightly below the high reached in 1952. This has helped to stabilize prices.

76502—3

Defence spending showed wide variation between industries. Although there was some levelling off, the general level of activity remained high. Firms faced with rèductions in government orders were turning to development of new products, accelerated selling programs, increased plant efficiency and greater export trade. As defence production in New England amounts to about 15 per cent of present output, a 20 per cent cutback in orders for the armed services would affect the area's industrial structure only slightly.

Building Gains

New England was the only region in the country to register a larger number of housing starts in May than in April. Industrial building showed a gain of 13 per cent in the value of contract awards for April and May over those months last year. However, the value of all contracts awarded during June was 38 per cent lower than in June 1952. July awards were 8 per cent higher.

The Business Picture

New orders received by firms during July were considered satisfactory for that time of year. Department store sales improved over those of a year ago and stores held a large volume of outstanding orders. Demand for the better grades of northeastern white pine remained strong, with some weakness in orders for the lower grades. Some uncertainty appeared in the market for spruce and lower grade hardwoods. Demand for high-grade hardwoods remained firm as furniture manufacturers received orders during the second quarter which will keep them comfortably occupied.

Business and agricultural loans declined slightly from June to July but remained about 11 per cent above those of a year ago. Sales of new cars in Massachusetts slowed somewhat in July but totals for the first seven months of 1953 were running 39 per cent above the comparable 1952 figures. Average prices advanced somewhat during July at all levels of distribution. Unemployment was relatively low this summer and unemployment insurance claims were 40 per cent lower in July than they were a year ago.

What's Ahead?

The course of business in New England is expected to follow the national pattern fairly closely during the second half of 1953. Business should continue good for a long time to come, according to the optimists, who point to many consumer demands yet to be filled. In addition there are urgently needed roads, schools, hospitals and other public projects which can take up any slack which develops. Building activity may come close to last year's high and funds will be adequate. With plenty of jobs and more money in their pockets, New Englanders seem to have few doubts about the future.

—D. H. CHENEY

Vice-Consul of Canada and Trade Commissioner

FAIRS and EXHIBITIONS

Dollar Quotas for German Fairs

BONN—Canadian exporters of manufactured products who believe that West Germany offers a potential market will be pleased to learn that limited dollar allocations are now available to Canadian exhibitors at any of the recognized German International Trade Fairs. The amounts involved are not large but they do afford a valuable opportunity for keeping brand names before the West German consumer. They also provide a useful means of testing the German market for special Canadian products.

Under the present plan, the import quotas are granted for periods of six months; in effect, this means a separate quota for spring and fall fairs. Preceding each half-year, the Federal Ministry of Economics assigns dollar quotas to each country applying. These amounts are then reallocated among the individual firms which have reserved space at German trade fairs during the period covered by the regulations.

It is not essential that a Canadian firm be represented in Germany to be eligible for a fair quota. Canadian exhibitors, however, will probably find it more effective—and certainly more convenient—to use the services of a German firm, even if this involves the appointment of a temporary representative only.

Regulations on Use of Quotas

The following is a digest of the terms which exhibitors must accept in order to be eligible for a dollar allocation:

- Space must be rented at one or more of the recognized German International Trade Fairs. These include the following for 1954:

Spring Fairs	
Hanover—Grosse Deutsche Industrie-Messe	April 25-May 4
Frankfurter Mustermesse	March 7-March 11
Cologne—International Cologne Fair	
Part I —Furniture	February 19-February 22
Part II —Ironware	March 7-March 9
Part III—Textiles	March 14-March 16
Fall Fairs	
Frankfurt	early September
Cologne	early September
Berlin Industry Fair	late September

- Contracts for the re-sale of imports under the fair quota must be concluded during the Fair at which the goods are exhibited.

- Quotas will be granted only to those firms registering for exhibition not later than four weeks before the Fair opens.

- Sales may be made only to an established importer for the purpose of re-sale or for industrial and professional use.

- Fair contingents cannot be transferred.

- Importers representing Canadian firms must show written certificates from the latter that they are authorized to exhibit its products.

Canadian exporters interested in exhibiting at any of the German trade fairs listed above are requested to inform the Commercial Counsellor, Bonn, or the Director, Export Division, Department of Trade and Commerce, Ottawa, well in advance of the opening day of the fair, in order that an allocation of dollar exchange may be requested for the import of their products into West Germany.

—W. Van Vliet
Acting Commercial Secretary for Canada

A First in Tunis

On October 17, Tunis will be the scene of the first "Foire Internationale" to be organized in Tunisia. This fair is under the patronage of His Highness the Bey and His Excellency the Ambassador of France, Resident General in Tunisia, and it will remain open until November 1.

Purpose behind the Fair is to develop commercial relations between Tunisia and metropolitan France, on the one hand, and between Tunisia and other countries on the other. The sponsors also hope that it will help industry there to increase its production by obtaining imports of machines or materials likely to further this objective.

Sao Paulo's Fair

São Paulo is already making extensive preparations for its first International Trade Fair, which will be part of the celebrations marking São Paulo's 400th birthday next year. The Fair, which will be held at Ibirapuera Park, site of the fourth centennial events, will open on July 9, 1954, and will run for three months.

Intending exhibitors must apply for space by December 31, 1953. The charge for space has been set at Cr.$1.500 per square metre (about $7.50 a square foot), plus a flat charge of about $25 per stand. Foreign exhibits will be grouped, by countries, in the Pavilion of the Nations. Manufacturers, exclusive representatives, and distributors are all free to display goods, but they should notify the committee early about the type of exhibits planned, the area, and value of the saleable products. For further information, write the Exhibition Service, Fourth Centennial Committee, 24 de Maio 250, São Paulo, Brazil.

British Honduras as a Market

KINGSTON—British Honduras, though it covers a large area, has a population of slightly less than 70,000—with about 50 per cent living in the capital city of Belize. Purchasing power is relatively low. Tradewise, British Honduras serves as an entrepôt for the Yucatan peninsula of Mexico and, to some extent, for Guatemala.

Lumber and certain allied products such as chicle are the country's economic mainstays, though a move is under way for greater agricultural production with the objective of producing more food locally. Traditionally, British Honduras is linked with the U.S. and until devaluation about two years ago, its dollar was tied to the U.S. dollar. Main shipping connections are with New Orleans and Tampa.

Three Main Suppliers

Over 70 per cent of imports into British Honduras in 1951 came from three countries—the United States, the United Kingdom, and Canada—and about 68 per cent of her exports went to the same three countries. This situation has changed little since the late 1930's, except that the United States now takes a smaller proportion of British Honduras exports and the United Kingdom supplies a larger share of her imports. Canada now has a somewhat smaller share of the British Honduras market than before the war. The table gives the details: *

	1938				1951			
	Imports	%	Domestic Exports	%	Imports	%	Domestic Exports	%
Total	$4,004,091		$1,816,274		$12,407,332		$5,985,700	
UK.	763,168	19·1	408,115	22·4	4,923,424	31·6	1,623,793	27·1
Canada ..	322,677	8·1	111,066	6·1	857,473	6·9	442,619	7·4
U.S.	1,232,608	30·7	1,280,837	70·5	4,099,384	33·0	2,020,378	33·7

Canada's Share of Market

Canada's 6·9 per cent share of the British Honduras market in 1951 represented largely sales of ten products, with wheat flour well in the lead and beer and powdered milk in the rearguard. The following table shows quantities and values of these ten imports into British Honduras in 1951 and also gives the corresponding figures for 1938.

	1951		1938	
	Quantity	Value (BH$) c.i.f.	Quantity	Value (BH$) c.i.f.
Flour (196 lb. bags)	14,149	237,818	11,530	60,363
Cotton Piece Goods (yd.)....	364,308	167,694	43,028	8,690
Evaporated Milk (cwt.)	2,924	81,426	307	2,912
Paper	....	69,464	....	6,704
Pickled Pork (cwt.)	1,466	48,769	1,387	16,313
Canned Fish (cwt.)	624	30,323	727	8,239
Sweetened Condensed Milk (cwt.)	411	13,977	1	12
Leather boots and shoes (doz. pairs)	252	11,708	262	5,579
Beer (gals.)	5,500	10,565	....	....
Powdered Milk (cwt.)	93	9,059	79	2,959
		680,803		111,771

* Figures are British Honduras dollars.

Sales of several Canadian commodities have slipped in the 13 years between 1938 and 1951. No Canadian butter now goes to British Honduras, no salted beef, and only negligible quantities of cheese, bacon and ham. Australia has captured the greater part of the butter and cheese market; New Zealand has become the largest supplier of salted beef, and the United States of bacon and ham. Canada has ceased to sell any tobacco there; in 1938, she sent British Honduras about 15,000 pounds but the U.S. and Southern Rhodesia now share the market between them. About one-third of the potatoes imported once came from Canada; today the United States supplies most of them. Imports of canned fish, oats and mess pork also decreased in *volume* as compared with 1938, though the value rose.

Some Exports Increased

Of non-agricultural products, the following imports decreased in volume: men's shirts and underwear (Hong Kong was the main supplier in 1951); rubber boots and shoes (the U.K. supplies the bulk); canvas shoes with rubber soles (U.K. is main supplier); cars and trucks (no imports from Canada in 1951); hosiery (none in 1951). Tires and tubes also disappeared from the import list. Certain products sold slightly better in 1951 than in 1938, among them spices, linseed oil, oilcloth and linoleum, paints and varnishes, newsprint, and stationery.

To sum up, the four products which chalked up the greatest increases were evaporated milk, newsprint, paper, and cotton piece goods. The latter gained at the expense of the United Kingdom and, to a lesser degree, the United States.

Some Obstacles Remain

Two factors make greater sales to British Honduras somewhat difficult: the restrictions against dollar goods and the shipping situation. Perhaps a third factor is the slow increase in Canada's purchases from British Honduras.

For about 15 years before 1941, the C.N.S.S. *Connector* ran between Kingston, Jamaica, and Belize, British Honduras, and provided easy trans-shipment for Canadian goods. When this service was abolished, trans-shipment charges became almost prohibitive. In addition, the port of Belize lacks proper storage facilities. This means that, for a commodity like flour, bulk cargoes are required at frequent intervals in quantities which are not of interest to shipping companies. Consequently, such freight is carried on vessels from New Orleans.

If restrictions on dollar goods were lifted and shipping facilities improved, Canada might be able to raise her sales to British Honduras to about one million dollars a year, 11 or 12 per cent of present total imports.

—M. B. Palmer
Canadian Government Trade Commissioner

General Notes

AUSTRALIA

Export Controls Eased—Export controls have been lifted on six Australian products, enabling them to be exported freely and without prior approval from the export licensing authorities. The items are fibro cement, solder bars and strips, stainless steel sinks, prefabricated buildings, and tin concentrates, ores and ingots. The government policy is to reduce controls where possible and thus increase Australia's export earnings. Export controls were imposed during World War II and have been continued during the postwar period to ensure that commodities essential to the Australian economy and in short supply were not exported—Sydney, Aug. 25.

EGYPT

Export of Super Phosphates—The export of 50,000 tons of super phosphates has been approved by the Egyptian authorities; 25,000 tons may be exported now—Cairo, Aug. 21.

LEBANON

Irrigation, Hydro-Electric Projects—A preparatory survey of the proposed \$40 million Litani River irrigation and hydro-electric scheme is to be made at a cost of \$700 thousand by agreement between the Lebanese Government and the Point Four administration. In addition to Point Four aid, the Government has asked the International Bank for a loan—Beirut, Aug. 24.

SOUTH AFRICA

Crops Are Good—The agricultural harvests for the year 1952-53 have been the most bountiful in the history of the country; crops have flourished and record prices are being paid to the farmers. Despite serious drought conditions at the beginning of the season and an unfavourable outlook in the pre-planting period (and in fact during the earlier part of the planting season), belated rains encouraged replanting in December and January. Good weather carrying on into the autumn produced a very favourable crop from the second seeding. The maize crop is now placed at 32·3 million bags (of 200 lb.), an all-time record and 13 million bags more than the 1951-52 crop. Proceeds to mealie farmers from the crop will exceed £50 million. The Kaffir corn crop, totalling 2,452,000 bags, is a third larger than in the previous year. Wool farmers also have enjoyed one of the best seasons on record, with a clip of 255 million lb., valued at £50 million—Cape Town, Aug. 27.

Italian Agriculture Advances . . .

Postwar years have seen agricultural products regain their prewar place, and land reform and other projects should bring further gains.

ROME—Italy is enjoying another good harvest and in some respects is bettering 1952 production; the wheat crop is establishing a new record of more than 320 million bushels. These agricultural successes reflect not only the favourable weather conditions of the past two years, but show that most types of Italian agriculture have overcome the wartime dislocations so well that production is topping the high levels of the 1930's. The Government continues to direct and assist agriculture with the twofold objective of securing a better land tenure for the rural population and of improving the levels of production.

Because of its temperate and sub-tropical climate and the fertility of its plains and valleys, Italy has the most diversified agriculture in Europe. Its cereal production is of major consequence, with the wheat crop contending with that of France for first place in European production. Yet Italy's 47 million people rely so heavily on bread and "pasta" in the place of meats that domestic production must usually be supplemented by substantial wheat imports. Italy produces moderate amounts of oats and barley but corn is the principal feed-grain crop. Forage crops are particularly necessary because the land is cultivated too intensively to permit pastures. Alfalfa, the main forage crop, yields four or five cuttings a year.

Fruit and Vegetables Important

Fruit and vegetable production is particularly significant because it not only provides the home market with fresh food the year round but is the main source of Italy's agricultural exports. Grapes almost equal the crops of all other fruits, but go mainly into wine production. Apples, peaches and pears, oranges, lemons and tangerines are the ranking export items. Olive oil enjoys a fairly widespread export market. Canned tomatoes, fresh tomatoes, cabbage, cauliflower and potatoes have substantial sales abroad. Although some specialty items such as cherries in brine and tomato paste find their way to Canada, the main outlets for Italy's exports of fruit and vegetables are in northern Europe, particularly Western Germany and Switzerland, where Italy's early maturing crops are in seasonal demand.

Italy's dairy industry is primarily a domestic one. Italians do not use as much fluid milk as northern Europeans and supplement their butter production with imports. There is both an export and import trade in cheese, but on balance Italy is a net exporter. The dairy industry is also the primary source of beef and veal, although beef is also imported from Denmark, Argentina and Uruguay. Domestic hog production provides pork for the winter months; supplies of mutton and lamb are fair.

The postwar program of breaking up large holdings and distributing land to peasant proprietors is going forward. A house is built on each of the holdings before the new owner takes over. Above, one of the farmhouses.

A description of Italy's agriculture would not be complete without mention of several special crops. Irrigated sections of the Po Valley lend themselves to the production of rice, which Italy exports. Tobacco growers produce enough for Italy's own needs and a small export surplus. The production of sugar beets is sufficient to make the country almost independent of sugar imports. There is a silk industry, a small cotton one, and some hemp growing.

To assist in appraising the progress made since the war, the following table gives the indices, based on prewar production (1936-39=100), for representative commodities.

	1950	1951	1952
Wheat	103	92	104
Corn	65	93	81
Rice	91	97	111
Oranges	170	150	165
Lemons	94	91	88
Apples	221	290	323
Pears	153	185	201
Peaches	135	125	168
Olives	187	341	184
Potatoes	89	105	100
Tomatoes	131	131	116
Beef	92	88	89
Pork	71	68	87
Milk	133	137	137
Milk products	121	125	124
Eggs	93	98	99
Sugar beets	137	182	181
Tobacco	185	187	164

A more detailed examination of Italy's trade in agricultural products reveals that, import-wise, it is dominated by the need for wheat imports of about 45 million bushels a year. In 1952 the main wheat suppliers were

the United States, Canada, USSR, Australia, Turkey and Syria, in that order. In 1953, Argentina will return to the list of suppliers and Turkey will assume a more prominent role. Turkey has proved a good source of durum wheat for which there is a particular Italian demand. Moreover, Italy has trade agreements with both Turkey and Argentina under which payments are made through clearing accounts. Nevertheless, a basic demand for high-grade wheat for blending purposes and for durum wheat will continue, in order to meet the demand for "pasta". Postwar imports of wheat reached a peak of 70 million bushels in 1948 but this year's record crop will materially reduce import needs. Canada has been winning a slowly increasing share of this market. Although Italy imported flour during the postwar years when wheat supplies ran short, flour imports from all sources are now officially discouraged.

Other Trade Features

Italy does a small trade in feed grain. Following the relatively good corn harvest in 1951, she exported some of her supplies. The good harvest in 1953 should make her independent of imported feed supplies for the present crop year. On the other hand, she has built up a continuing export business in high quality rice, exporting about 300 thousand tons a year. These supplies go ordinarily to other European countries under the terms of trade agreements, although Japan and Indonesia have taken substantial quantities.

Italy's meat production has declined from prewar; the per capita consumption is low and is replaced largely by a high consumption of alimentary pastes. Nevertheless, in 1952 Italy imported 40,000 tons of beef from Denmark, Argentina and Uruguay. Imports of pork were negligible. About 9,000 tons of butter were bought from Poland, Hungary, Denmark, New Zealand, the Netherlands and Norway. Cheese exports amounted to 19,000 tons and were partly offset by imports of 14,000 tons.

On the export side, the bulk of Italy's agricultural trade is done in fruits. Italian exports in 1952 included 161 thousand tons of oranges, 155 thousand tons of lemons and 31,000 tons of tangerines. Exports of apples amounted to 128 thousand tons and of pears to 39,000 tons. Cauliflower exports totalled 91,000 tons and tomato exports 48,000 tons. There is a seasonal trade in potatoes, with exports of 115 thousand tons almost offset by imports of 92,000 tons. The trade in fruits, vegetables and potatoes with western European countries is done within the pattern of trade agreements and EPU arrangements. The projected "Green Pool" would make this trade still simpler.

Land Reforms Make Progress

Looking ahead, it is fair to assume that Italy has yet to reach maximum agricultural production. The twin policies of land redistribution and of greater credit facilities, extending the area of cultivation and bettering the use of land already worked, are positive steps in this direction.

Legislation passed in 1950 and subsequently has marked for expropriation, with compensation, large land holdings on which cultivation could be improved. If it is demonstrated that the large holdings are

already well farmed, or if they are used for maintaining large herds of pure-bred cattle, they are exempt from expropriation. This exemption has stimulated some increase in imports of registered stock.

Out of a total cultivation of 54 million acres in private hands in Italy, it is expected that 3·2 million acres will eventually be expropriated. From 1950 to date, actual expropriation has included 1·6 million acres. The work of transformation into peasant holdings, including housing, has been completed on 420 thousand acres. These have been distributed to 38,000 farm families in holdings averaging 12 acres each. This transformation calls for the use of heavy tractor equipment for land clearing and new breaking, involving deep ploughing and removal of subsoil stones. Construction materials and equipment are needed to build roads and houses—a farmhouse is built on each of the holdings before the family takes possession. The ground floor has room for grain storage and stanchoins for cattle; the upper floor has accommodation for the family.

The average size of the holding appears small by Canadian standards. Italy has over five million privately-owned units of 1¼ acres or less, 3½ million ranging from 1¼ acres to 12 acres, 500 thousand ranging from 12 to 62 acres, and 109 thousand larger units. It is not easy to deal with the problem of the exceptionally small holdings, although the land reform is working at getting at least some of the owners onto larger units.

Other Aids to Farmer

In addition to the land reform, there is the "Twelve Year Plan for the Development of Agriculture" which was established by legislation in 1952. This plan makes available to the farmer short and long-term credit at a low interest rate for the purchase of farm machinery, the improvement of farm buildings, and the extension of irrigation on individual farms. Rates of interest for agricultural credit had been running as high as 10 per cent but loans were offered under the act at 3 per cent and in principal up to 75 per cent of the approved expenditures.

The response to the new credit arrangements was immediate. Up to the end of June 1953, loans had been made to 11,347 individual farmers to a total of $40 million. For the fiscal year commencing July 1, a further amount of $45 million has become available. These funds will revolve as repayments come in.

The purchase of farm machinery under the terms of the plan is limited to types made in Italy, including farm tractors, harrows, ploughs, seeders, mowers, binders, threshing machines and pumps, and equipment for making wine and for crushing oil seeds. Machinery purchases have accounted for 65 per cent of the funds loaned. The erection of buildings, including farmhouses, stables, haylofts and silos, and other smaller units has accounted for 30 per cent, and irrigation equipment has taken up the remaining five per cent of the funds.

These expenditures on farm machinery and on construction have not only had their repercussions on the trades affected but on the farming districts, where agriculture appears to be in transition from traditional to mechanized methods of cultivation. Because of this transition, further progress in Italy's productive capacity in agriculture seems possible.

—C. F. Wilson
Agricultural Counsellor for Canada

Commodity Notes

AUSTRALIA

Machinery—The usual order was reversed when a Melbourne company made a first shipment to the United States of industrial and agricultural machinery, including machinery for moving rail trucks, lumber harvesters and other timber-getting equipment. The managing director of the company said that no similar equipment was manufactured in America. A new company, with headquarters in New York, has been registered to handle the marketing of the equipment in the United States. The Australian company is the owner of a number of patents for inventions in the agricultural and industrial fields. For the initial shipments, the main components were Australian but it is intended that the American company undertake a larger percentage of the manufacture in future—Melbourne, Aug. 19.

BRAZIL

Vinyl Resins—S.A. Geon do Brasil Industria e Comercio will begin production of vinyl resins within a year and a half, with a monthly output of 225 tons. Capitalized at Cr.$20 million, Geon will employ almost 100 workers and will have a capacity of 450 tons of vinyl resins a month. The factory will be installed at São Caetano do Sul and will use calcium carbide and chloride made by I.R.F. Matarazzo —São Paulo, Aug. 28.

Minerals—During the first three months of 1953, Brazil's mineral production showed little improvement over 1952. There were slight increases in the production of steel, pig iron and silver, but these were offset by declines in the output of coal, arsenic and gold—Rio de Janeiro, Aug. 26.

DENMARK

Grain and Potatoes—A survey has been made of the number of acres sown this spring with grain and potatoes, and of the extent of frost damage to winter crops sown in the autumn of 1952. It appears that approximately 24,710 acres, more than 15 per cent of the total area sown with wheat (155,670 acres), were damaged. Of this area, however, only about 9,140 acres were reploughed or intersown with spring-sown seed. The total grain areas to be harvested in 1953 amounted to 3,239,480 acres, that is about 37,065 acres, or over 1 per cent less than in 1952. The wheat and rye areas decreased by 27,180 and 32,120 acres respectively, and the oats areas by about 74,130

acres. The barley and mixed barley and oats areas increased by 86,485 and 9,885 acres respectively. On the whole, these fluctuations continue the trends noted last year. The potato areas totalled 254,510 acres, 14,825 acres less than in 1952—Oslo, Aug. 29.

INDONESIA

Tin—Despite declines in the price of tin in the world markets, Indonesia will not reduce its production of this metal, it is reported. At present, production of tin in this country is between 30,000 and 35,000 tons a year—Djakarta, Aug. 18.

JAMAICA

Paint—The paint factory recently constructed with British and Jamaican capital is now in production. Samples have been widely distributed, and stocks covering a complete range of paints in all colours, as well as putty, are advertised as available for immediate delivery—Kingston, Aug. 28.

NEW ZEALAND

Kraft Pulp—N.Z. Forest Products Limited has announced that kraft pulp was produced commercially for the first time in New Zealand this month. The pulp will be sent to Tasmania soon as a strengthening pulp for newsprint—Melbourne, Aug. 24.

SPAIN

Plywood—Spain has 25 important factories manufacturing plywood and employing approximately 2,200 skilled workers. In 1951, these factories processed 44,729 metric tons of timber, of which 24,868 were okumé. Plywood board production in 1951 was 9·9 million square metres and exports amounted to 1·2 square metres of 3 mm. boards and 0·9 million square metres of 11-10 mm. thickness. Most of the exports go to the United Kingdom, although more recently some Spanish-American markets have been opened—Madrid, Aug. 26.

UNITED STATES

High Octane Gas—A new refinery to increase U.S. production of high octane gas is being built in Ohio. It will be the third largest of its type known. The new unit is known as a "platformer" because it uses platinum in the refining process—Detroit, Sept. 8.

WEST GERMANY

Mineral Oil—German oil refineries expect to process in 1953 a total of 6·93 million tons of crude oil, including 2·1 million tons of domestic and 4·8 million tons of imported oil. This compares with a total of 5·12 million tons in 1952. The breakdown is figured as: 2·32 million tons of gasoline; 1·84 million tons of diesel oil; 960,300 tons of heating oil; 399,900 tons of lubricating oil; 186,500 tons of fluid gas; 51,000 tons of petroleum, and 560,100 tons of bitumen—Bonn, Sept. 3.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. He will visit Montreal, September 21-25, and Toronto, October 19-24.

R. P. Bower, Commercial Counsellor for Canada in London, will begin a Canadian tour in Vancouver, October 5-9. His itinerary is:

Vancouver—October 5-9
Edmonton—October 13-14
Calgary—October 15
Regina—October 16
Winnipeg—October 19-20
Niagara Falls—October 22-23
Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. His itinerary is:

Vancouver—September 21-26
Montreal—September 30-October 10

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Winnipeg—September 27
Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, began a tour of Canada in Montreal, September 8-15.

Toronto—September 21-25
Hamilton—September 28
Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 9
Ottawa—October 13-16

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Brantford: Hamilton—September 22
St. Catharines: Welland—September 23
London—September 24
Sarnia—September 25
Windsor—September 26
Vancouver—October 5-10
Winnipeg—October 13-14
Ottawa—October 16-17

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, began a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Toronto—September 24-30
Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, begins a tour of Canada in Quebec City on October 5. His itinerary is:

Quebec City—October 5
Moncton—October 8
New Glasgow: Trenton—October 9
Halifax—October 14
Saint John—October 16
Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Windsor: Walkerville—November 5
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Halifax, Montreal, New Glasgow, Saint John.

Chamber of Commerce—Arvida, Brockville, Calgary, Hamilton, Kingston, Kitchener, London, Niagara Falls, Peterborough, Preston, Quebec, Regina, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Moncton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street).

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad................September 5

Head Office Directory ....July 11

Area Breakdown, Foreign Trade Service......In this issue

Foreign Commercial Representatives in Canada....August 8

Trade and Tariff Regulations

AUSTRIA

Currency Restrictions for Foreign Visitors Eased—Foreigners entering Austria are permitted to bring in 5,000 schillings in Austrian currency (US$192.30), and to take out a maximum of 5,000 schillings on the production of a border certificate proving that a similar amount was brought in. A sum of 1,000 schillings may be taken out without restriction. Foreigners may also bring in and take out of Austria foreign currencies up to the equivalent of 300 schillings each without restriction. Additional amounts brought in must be declared and entered in the border certificates, and may be taken out if the border certificates show that the currency was brought in, or legally acquired, by foreigners within three months from the date of departure from Austria—Berne, Sept. 4.

BELGIUM

Import Restrictions Revised—Effective September 3, barley and oats, except seed barley and seed oats, may be imported into Belgium without an import licence on the basis of a bank permit. Since these products are included in the list of goods which may be imported as freely from dollar countries as from any other source, this provision means that Canadian barley and oats may now enter Belgium free from government control. Powdered iron and steel have also been exempted from import control.

On the other hand, leguminous vegetable seeds and maize seeds, which have been under the bank declaration system, now require a licence for import into Belgium—Brussels, Sept. 8.

Import of Nitrate Fertilizers—Nitrate fertilizers imported into Belgium are now subject to quotas based on imports effected during the year 1952. Moreover, import permits for this product, in order to be valid, must be accompanied by a certificate of origin visaed by Belgian diplomatic or consular authorities in the country of origin of the goods.

Nitrate fertilizers are subject to licences on importation into

Belgium regardless of origin. They are, however, included in the list of goods which are being admitted into Belgium as freely from dollar countries as from all other sources—Brussels, Sept. 1.

Recipients of the leaflet "Belgium—Shipping Documents and Customs Regulations", compiled by the International Trade Relations Branch, may wish to note the provision regarding certificates of origin on the first page of their leaflet.

BENELUX

Valuation for Duty Revised—Effective July 28, the Benelux countries (Belgium, the Netherlands and Luxembourg) have modified their definition of value for duty, as a result of their acceptance of the definition established in 1950 by the European Customs Union Study Group.

Whereas the value for duty has hitherto included all charges up to the place of customs clearance, which could have been a customs office located in the interior of the country, it now only includes the charges up to the first port or place of entry into Benelux territories.

The basis of the definition remains the normal price of imported goods including the costs of sale and delivery, i.e., the c.i.f. value of the goods—Brussels, Aug. 28.

ISRAEL

Exchange Premium—As a result of Israel's recent introduction of an exchange premium system, a new effective rate of 1.80 Israeli pounds to the United States dollar has been established. This new rate applies to the export earnings of specified Israeli industries and to a wide range of imports.

Details of the specific commodities accorded this new rate have not yet been received.

PAKISTAN

Import Control Policy Announced—According to a cablegram from the Canadian Commercial Secretary, Karachi, Pakistan import policy for the July-December shipping period was announced on September 11. Generally, the new policy aims at meeting the essential industrial requirements of the country, though it further restricts imports from the dollar area and continues to restrict non-essential imports from all areas.

Items which are no longer licensable from the dollar area include: all items in the import licensing schedule in the groups covering iron and steel, non-ferrous and ferro-alloy metals, and tools and workshop equipment; asphalt, pitch and tar; camphor; gas in cylinders; heavy chemicals; carbon black; electrical instruments and apparatus; typewriters and parts; marine diesel engines; synthetic rubber; motor vehicles (fourwheel drive—4 x 4).

Under the new policy, the following items are now licensable from the dollar area: second-hand clothing; books and magazines; some medicines; motor spirit; paints; unmanufactured tobacco. Tractors remain licensable from the dollar area.

Further details will be available when the text of the official notice is received.

SWITZERLAND

Customs Duty on Artificial Silk Stockings Increased—Effective September 2, the Swiss customs duty on stockings made entirely of synthetic silk (continuous fibres) was increased from 800 to 2,400 francs per 100 kilograms (from $83.50 to $250 per 100 pounds approximately). Furthermore, a new tariff note provides that the textile material of the leg, without the foot or upper border, constitutes the determining factor for customs classification under this item.

Since the duty is based on weight, the trend towards lighter weight stockings since prewar has greatly reduced the protective value of the tariff. It is understood that the present measure is intended to restore the customs protection which the Swiss stocking industry had enjoyed in the past—Berne, September 4.

UNITED STATES

Marking Requirements for Certain Imported Goods Changed—The Customs Simplification Act of 1953 repeals as of September 7, 1953, the special-marking provisions contained in tariff paragraphs 28, 354, 355, 357, 358, 359, 360, 361, and 1553. Any article of foreign origin classifiable under any of these tariff paragraphs will in future be subject to the provisions of section 304 of the Tariff Act which requires, with certain exceptions, that every article of foreign origin (or its container) shall be marked so as to indicate to an ultimate purchaser in the United States the English name of the country of origin of such article (or container), and authorize, among other things, the Secretary of the Treasury to prescribe by regulations any reasonable method of marking.

Pursuant to this last-mentioned authority, the Bureau of Customs has announced in *Federal Register* of September 5, 1953, (T.D. 53337) that Customs Regulations on Marking have been amended to provide that, subject to the exceptions specified in Section 304 (*a*) of the Tariff Act, each article classifiable under tariff paragraphs 354, 355, 357, 358, 359, 360, 361, or 1553, shall be marked legibly and conspicuously to indicate its origin by die-stamping, cast-in-the-mold lettering, etching (acid or electrolytic), engraving, or by means of metal plates which bear the prescribed marking and which are securely attached to the article by screws or rivets.

In effect, the above regulation eliminates the necessity of showing the name of the maker or purchaser on articles such as steel knives, razor blades, surgical and dental equipment, scientific instruments, pliers, and thermos bottles, classified under the tariff paragraphs named.

Foreign Trade Service Abroad

This list shows the countries included in the territories of Canadian Trade Commissioner offices abroad and the post responsible for the promotion of Canadian trade in each.

Country	Post Responsible
Aden	Cairo
Afghanistan	Karachi
Alaska	San Francisco
Algeria	Paris
Angola	Leopoldville
Argentina	Buenos Aires
Australia	Sydney and Melbourne
Austria	Berne
Azores	Lisbon
Bahamas	Kingston
Bahrein	Cairo
Balearic Islands	Madrid
Barbados	Port-of-Spain
Belgian Congo	Leopoldville
Belgium	Brussels
Bermuda	New York
Bolivia	Lima
Brazil	Rio de Janeiro and São Paulo
British Cameroons	London
British Guiana	Port-of-Spain
British Honduras	Kingston
British Togoland	London
Brunei	Singapore
Burma	Bombay
Canal Zone, Panama	Guatemala
Canary Islands	Madrid
Cape Verde Islands	Lisbon
Cayman Islands	Kingston
Ceylon	Colombo
Chile	Santiago
China	Hong Kong
Colombia	Bogotá
Costa Rica	Guatemala
Cuba	Havana
Curaçao	Caracas
Cyprus	Cairo
Czechoslovakia	Berne
Denmark	Oslo
Dominican Republic	Ciudad Trujillo
Dutch Guiana	Port-of-Spain
Ecuador	Bogotá
Egypt	Cairo
England	London and Liverpool
Eritrea	Cairo
Ethiopia	Cairo
Falkland Islands	Buenos Aires
Fiji	Wellington
Finland	Stockholm
Formosa	(See Taiwan)
France	Paris
French North and West Africa	Paris

Country	Post Responsible
French Equatorial Africa	Leopoldville
French Guiana	Port-of-Spain
French West Indies	Port-of-Spain
Gambia	London
Germany	Bonn
Gibraltar	Madrid
Goa	Bombay
Gold Coast	London
Greece	Athens
Greenland	Oslo
Guatemala	Guatemala
Guiana (British, Dutch, French)	Port-of-Spain
Haiti	Ciudad Trujillo
Hawaii	San Francisco
Honduras	Guatemala
Hong Kong	Hong Kong
Iceland	London
India	New Delhi and Bombay
Indo-China	Hong Kong
Indonesia	Singapore
Iran	Karachi
Iraq	Beirut
Ireland, Republic of	Dublin
Ireland, Northern	Belfast
Israel	Athens
Italy	Rome
Jamaica	Kingston
Japan	Tokyo
Jordan	Cairo
Kenya	Johannesburg
Korea	Tokyo
Kuwait	Cairo
Lebanon	Beirut
Leeward Islands	Port-of Spain
Liberia	New York
Libya	Rome
Liechtenstein	Berne
Luxembourg	Brussels
Macao	Hong Kong
Madagascar	Cape Town
Madeira	Lisbon
Malaya	Singapore
Malta	Rome
Mauritius	Cape Town
Mexico	Mexico
Morocco, French	Paris
Morocco, Spanish	Madrid
Mozambique	Johannesburg
Netherlands	The Hague
Netherlands Antilles	Caracas
Netherlands Guiana	Port-of-Spain
New Guinea	Sydney
New Zealand	Wellington
Nicaragua	Guatemala
Nigeria	London
North Borneo	Singapore
Northern Ireland	Belfast

Country	Post Responsible
Northern Rhodesia	Johannesburg
Norway	Oslo
Nyasaland	Johannesburg
Oman	Cairo
Pakistan	Karachi
Panama	Guatemala
Paraguay	Buenos Aires
Persia	(See Iran)
Peru	Lima
Philippines	Manila
Portugal	Lisbon
Portuguese East Africa	Johannesburg
Portuguese Guinea	Lisbon
Puerto Rico	Ciudad Trujillo
Qatar	Cairo
Rio Muni	Madrid
Rio de Oro	Madrid
Ruanda Urundi	Leopoldville
El Salvador	Guatemala
Sarawak	Singapore
Saudi Arabia	Cairo
Scotland	London
Siam	(See Thailand)
Sierra Leone	London
Singapore	Singapore
Somaliland	Cairo
South Africa, Union of	Johannesburg and Cape Town
South-West Africa	Cape Town
Southern Rhodesia	Johannesburg
Spain	Madrid
Sudan	Cairo
Surinam	(See Netherlands Guiana)
Sweden	Stockholm
Switzerland	Berne
Syria	Beirut
Taiwan	Hong Kong
Tanganyika	Johannesburg
Tangier	Madrid
Thailand	Singapore
Tobago	Port-of-Spain
Trieste	Rome
Trinidad	Port-of-Spain
Tunisia	Paris
Turks and Caicos Islands	Kingston
Turkey	Athens
Uganda	Johannesburg
United States	Boston, Chicago, Detroit, Los Angeles, New Orleans, New York, San Francisco, Washington
United Kingdom	London and Liverpool
Uruguay	Buenos Aires
Venezuela	Caracas
Wales	Liverpool
Western Samoa	Wellington
Windward Islands	Port-of-Spain
Yemen	Cairo
Yugoslavia	Rome
Zanzibar	Johannesburg

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01394.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Sept. 10*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1315	
		Basic buying	·1972	
		Preferential selling	·1972	(1)
		Basic selling	·1315	
		Free	·07099	
Austria	Schilling		·03793	
Australia	Pound		2·2115	
BelgiumLuxembourg & Belgian Dependencies	Franc		·01979	
Bolivia	Boliviano	Official	·00519	
British West Indies	Dollar		·5759	(3)
	Pound		2·7644	(4)
	Dollar	Brit. Honduras	·6911	
Brazil	Cruzeiro	Official	·05331	tax 8%
		Free	·02533	(2)
Burma	Kyat		·2073	
Ceylon	Rupee		·2073	
Chile	Peso		·00897	
Colombia	Peso	Basic	·3945	
Costa Rica	Colon	Official	·1756	(5)
		Free	·1485	*
Cuba	Peso		·9862	tax 2%
Czechoslovakia	Koruna		·1370	
Denmark	Krone		·1428	
Dominican Republic	Peso		·9862	
Ecuador	Sucre	Official	·06575	(6)
		Free	·05701	
Egypt	Pound		2·8321	
Fiji	Pound		2·4904	
Finland	Markka		·00429	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01549	
Germany	D Mark		·2348	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9862	
Haiti	Gourde		·1972	
Honduras	Lempira		·4931	
Hong Kong	Dollar	Free	·1655	*Aug. 28
Iceland	Krona	Official	·06056	
		Special buying	·04663	
		Special selling	·03757	
India	Rupee		·2073	
Indonesia	Rupiah	Basic	·08651	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Sept. 10	Notes (See below)
Iran	Rial	Certificate I	·03058	*
		Certificate II	·00984	*
Iraq	Dinar		2·7615	
Ireland	Pound		2·7644	
Israel	Pound	Basic	2·7615	
		Special	1·3808	
		Investment	·9863	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2971	
Mexico	Peso		·1140	
Netherlands	Guilder		·2595	
Netherlands Antilles	Guilder		·5230	
New Zealand	Pound		2·7644	
Nicaragua	Cordoba	Effective buying	·1494	(8)
		Official selling	·1399	
		With Surcharge I	·1225	
		With Surcharge II	·09813	
Norway	Krone		·1381	
Pakistan	Rupee		·2981	
Panama	Balboa		·9862	
Paraguay	Guarani	Basic	·06575	(1)
		With Surcharge I	·04696	(9)
		With Surcharge II	·03288	
Peru	Sol	Certificate	·05711	
Philippines	Peso		·4931	tax 17% (2)
Portugal	Escudo		·03442	
El Salvador	Colon		·3945	
Singapore & Malaya	Straits dollar		·3225	
South Africa (Union of)	Pound		2·7644	
Spain & Dependencies	Peseta	Basic buying	·04503	
		Basic selling	·08790	
		Basic commercial selling	·06005	(1)
		Free	·02503	
Sweden	Krona		·1906	
Switzerland	Franc		·2302	
Syria	Pound	Free	·2778	*July 31
Thailand	Baht	Official	·07890	(1)
		Free	·05551	*July 31
Turkey	Lira		·3522	
United Kingdom	Pound		2·7644	
United States	Dollar		·9863	
Uruguay	Peso	Official	·6493	
		Basic buying	·5541	
		Special buying	·4197	(1)
		Basic selling	·5191	
		Special selling	·4026	
Venezuela	Bolivar		·2944	(10)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
9. Paraguay: Basic rate applies to most Paraguayan exports.
10. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

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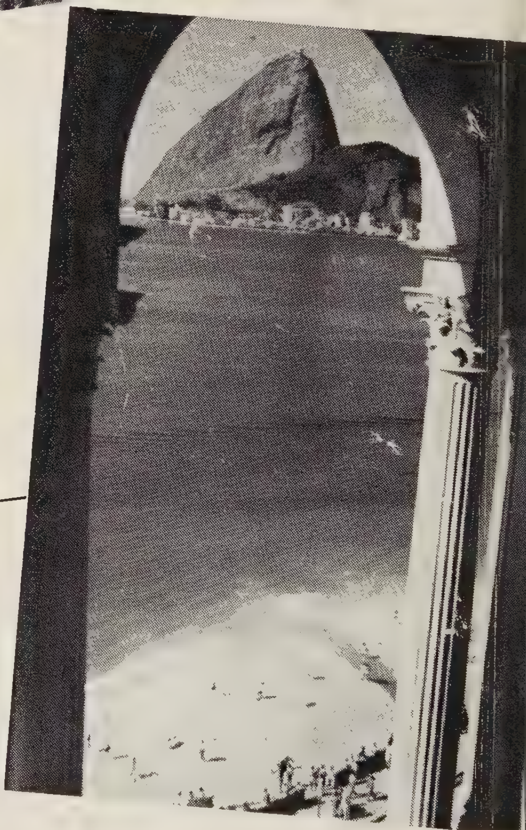


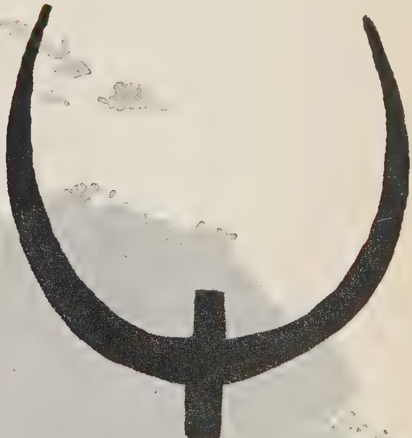
Latin America—what a place for business, and for pleasure too! Too bad not many of us can just pick up and go.

But Foreign Trade can help the stay-at-homes. The September 26 issue will be made up of reports on business conditions in Latin America. Authoritative reports from ten offices of the Trade Commissioner Service.

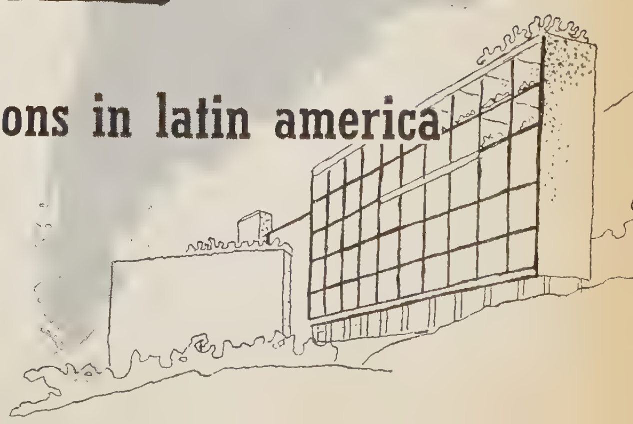
Can't guarantee a wonderful time, but you'll find it a pleasure to have a complete picture of Latin American business in one issue.

foreign trade

September 26, 1953



business conditions in latin america



COVER . . .

The somewhat unusual cover which introduces our second annual review of business conditions in Latin America is an attempt to convey pictorially something of the history, the growth, and the present-day progress of this great area.

Superimposed on the map you see three symbols. The eagle design on the left comes from Peru and is inspired by the mythology of the Incas, who flourished before the coming of the Spanish conquerors. Today it becomes a distinctive textile pattern.

The motif on the upper right—an Argentine cattle brand—carries us on to the Spanish colonial era and so to our own day. Cattle brought over by the Spaniards escaped to freedom on the pampas and became the nucleus of the great ranching industry. Last year Argentina ranked as the world's second largest meat exporter outranked only by New Zealand.

Latin America moves with the times, as the drawing on the lower right—a modern building in Rio de Janeiro—attests. Just before the war, Brazil created a world sensation by her whole-hearted espousal of modern architecture . . . and the City of Rio bears that stamp.

So our cover design symbolizes the traditions, the evolution, and the continuing growth of the Latin American countries . . . our neighbours and trading partners.

—The Editor

foreign trade

OL. 14 OTTAWA, SEPTEMBER 26, 1953 NO. 352

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

The Latin American Market

Trade figures for 1953 show that Canadian companies actively cultivating this market are reaping results, even in the face of increased European competition.

OTTAWA—The early months of 1953 brought an important development in the strengthening and expansion of Canada's trade ties with Latin America. In January and February a Canadian Goodwill and Trade Mission, headed by the Right Hon. C. D. Howe, Minister of Trade and Commerce, and composed of prominent Canadian businessmen representing national trade organizations, paid official visits to nine Latin American countries.* The prime objective of this Mission was to focus the attention of Canadian business on the rapidly expanding economies of Latin America, and to give Latin American governments and businessmen a greater awareness of Canada as a market and as a source of supply.

This Mission to Latin America was undertaken against an impressive background of expanding postwar Canadian trade with that area. It came also at a time when competition in those countries from European and other suppliers was becoming increasingly active. In reviewing the success of the Mission, Mr. Howe emphasized the importance of these markets and urged Canadian businessmen to increase their share of this trade. He said:

"Latin America is one of the world's major trading areas, selling over \$3¼ billion yearly to the United States alone and buying almost \$300 million monthly from the U.S.—our nearest competitor. I believe Canada's share of this trade could be greatly increased and our position in these markets further improved. The opportunities are there, and it is up to us to make sure they are grasped and developed.

"This is a job that must primarily be done by Canadian businessmen themselves. There is no substitute for personal, direct, on-the-spot contacts and relations. I would most strongly urge senior Canadian businessmen to go to the countries of Latin America and see for themselves what new fields are open to them."

The 1953 Picture

Canada's trade with Latin America has continued at high levels in recent months. Exports to that area in the first seven months of 1953 totalled \$115·7 million and covered a wide range of products, many of

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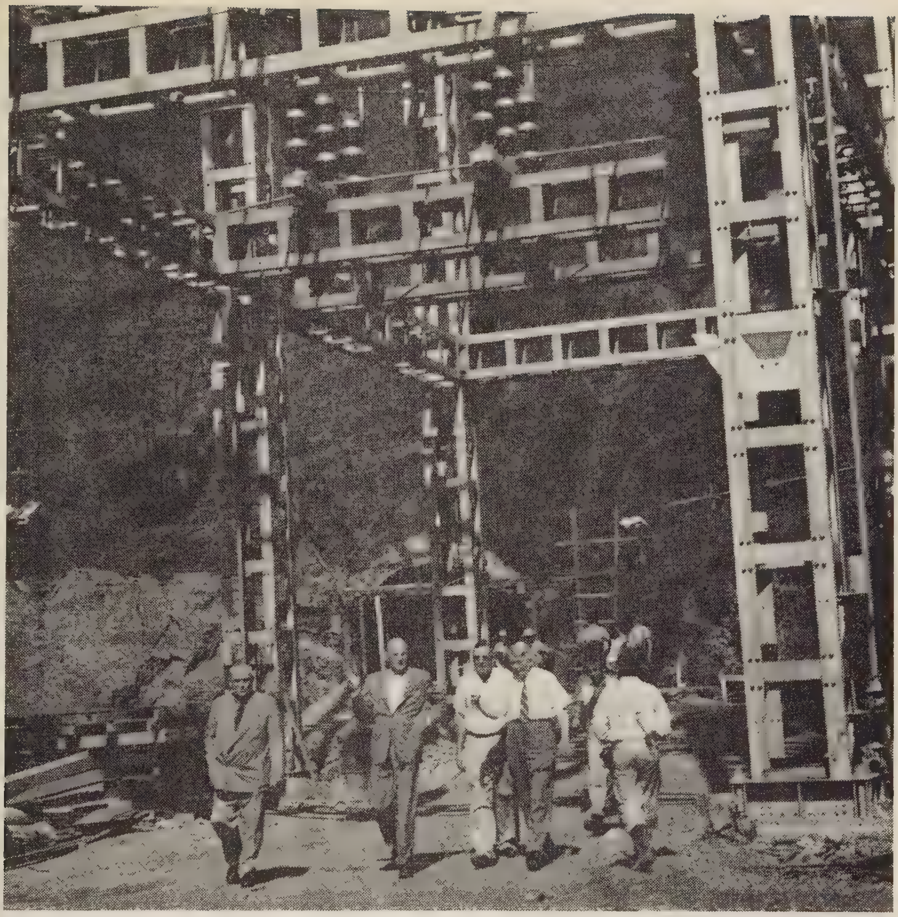
* Countries visited were: Brazil, Argentina, Uruguay, Venezuela, Colombia, Dominican Republic, Haiti, Cuba, Mexico.



Inspection of the Forcacava underground power plant of Brazilian Traction subsidiaries was part of the itinerary of the Canadian Goodwill Trade Mission to Latin America last January. Pictured at the site are (left to right): Rt. Hon. C. D. Howe, who headed the Mission; D. W. Ambridge, president and general manager, Abitibi Power & Paper Co.; John Reed, project manager; and Alex Gray, president, Gray-Bonney Tool Co. Ltd.

which are currently denied access to other markets. This total, though it is lower than that for the comparable period in 1952, is well above any other year.

Trade with Latin America

(in million dollars)

Full year 1938	1950	Seven months 1951	1952	1953
33	71·4	96·1	169·8	115·7

The drop in Canadian exports compared with last year is due largely to the decline in sales of motor vehicles and parts to Brazil, sales which were unusually high in 1952. In the first six months of 1953 this decline accounted for $22·4 million, or almost 50 per cent of the overall drop in exports to all Latin America. Exports of certain other important commodities such as pulp, newsprint, tires, electrical apparatus and copper products were also lower than last year. Sales of some of these products were affected by increased competition in many markets and by dollar

restrictions—particularly in Brazil. However, exports of wheat were up to $20·6 million in the first half of this year, $6 million more than in the same period of 1952. Brazil and Peru were the main markets for Canadian wheat.

The Main Markets

Canada's chief markets in Latin America in 1953 continue to be Brazil, ($28 million in seven months); Venezuela, ($20·5 million); Mexico, ($16 million); Peru, ($10·4 million) and Cuba, ($9 million). Exports to Brazil, Mexico and Cuba were substantially lower in the first seven months of 1953 than in the same period last year and somewhat lower to most of the other countries. Exports to Venezuela and Colombia remained about the same as last year; sales to Peru, Argentina, Ecuador and Paraguay increased slightly. United States exports to the Latin American area, particularly Brazil, also showed a drop in the first months of this year, compared with last year.

Imports Well Maintained

Imports from Latin America have been maintained at high levels and totalled $114·5 million in the first five months of this year, slightly higher than in 1952. Canada's main suppliers in Latin America were: Venezuela, ($58 million in five months, mainly petroleum); Brazil, ($13 million); Mexico, ($9 million); Colombia, ($9 million); Cuba, ($5·6 million). Imports of petroleum were higher than in the same period last year and compensated for declines in imports of certain other commodities. Main imports—in addition to petroleum—continued to be coffee, sugar, wool, cotton, bananas, tomatoes and fibres.

Underlying Factors

The dollar position of Latin American countries has shown no basic changes in recent months, but in certain countries there are encouraging signs of improvement. Argentina's economy is being strengthened by much better grain crops and Brazil is taking active measures to resolve its exchange and debt problems. Brazil, Argentina and Chile continue to maintain strict import restrictions against dollar goods, but many countries of Latin America, notably Venezuela, Cuba, Colombia, Mexico, Peru and the Central American Republics are substantially open dollar markets, with keen competition on a straight commercial basis. Latin American countries continue to make progress with their extensive development programs and these should provide valuable market opportunities for Canadian suppliers.

The main change in the trading picture as compared with previous years is undoubtedly the increased competition from European and other suppliers in this area. It is thus particularly important that Canadian exporters seek every opportunity of strengthening their position in Latin American markets.

—Maurice Schwarzmann

International Trade Relations Branch

Argentina

- *Two bumper crops have sparked economic recovery.*
- *Barter deals continue important in export trade.*
- *Prospects for greater trade with Canada uncertain.*

BUENOS AIRES—Assisted by the bumper crops harvested in late 1952 and early 1953, the Argentine economy is gradually climbing out of the economic morass in which it floundered for nearly three years. Three successive years of drought, culminating in the disaster of 1951, bogged down the wheels of progress to the stalling point. The low spots now seem to have been left behind but the road ahead, though firm, is rough. Careful driving will be needed to reach the smoother highway ahead.

Faced Difficult Times

The two main export groups—cereals and by-products and meat and by-products—each account in a normal year for about 45 per cent of total exports and therefore of Argentina's foreign exchange earnings. The year 1951-52 produced scarcely a bushel of grain of any kind for export, at a time when two preceding years of semi-drought had already whittled away all of the surpluses and reserves of export products and the reserves of foreign exchange that would have meant salvation.

The brunt of preserving the economy as much as possible fell upon the meat industry, though it too was hard hit by drought. By instituting meatless days and controlling slaughtering, etc., all available meat was marketed abroad to earn foreign exchange for essential imports. Including all exports, total earnings were not more than 60 per cent of those of either of the two preceding years. or more than 50 per cent of an average postwar year. The remaining essential imports had either to be cut out entirely or negotiated on credit. Extensive credit deals were concluded and were largely responsible for carrying the economy through this period of austerity. By the time the bumper crops of 1952-53 could be realized upon in the early months of this year, the Argentine economy had reached its lowest point in modern history.

Present Trend

From that time on, improvement set in. The rainfall in 1952, although by no means heavy, came at just the right moment. The previous wheat crop had been insufficient for domestic requirements but the present one yielded over seven million metric tons. This constitutes a postwar record and close to an all-time record of acreage yield. The yield of maize and other later crops was also satisfactory. Even with falling cereal markets, it should not be difficult to sell at good prices (either for cash or under barter agreements) all of the cereals and their by-products. The livestock industry also benefited from the end of the drought and it became possible to initiate rehabilitation of the herds.

76504—2

The crops just harvested are, however, only a beginning. It will take the proceeds of successive crops of average volume for the next three or four years to put things right. The present crop plus meat exports cannot pay off accumulated foreign commodity debts and provide for even essential imports. Even with favourable weather, austerity will be needed for at least another two crop years. It will take that long to put the country comfortably onto the right side of the ledger. Even then, there is little prospect that import and exchange controls will be abolished. The 1952 and 1953 bumper crops, in fact, have largely meant less debt owed to credit institutions.

Foreign Trade Policy

The salient feature of Argentina's present foreign trade policy is bilateralism. Such bilateral exchanges bypass the complexities of currency and exchange controls and usually develop into mere bookkeeping arrangements between the two contracting parties. The Argentine Government has already made some 15 of these bilateral or compensatory agreements with all of the main European countries, some Latin American republics, and Japan; in addition, there are some agreements between I.A.P.I., a state entity, and foreign private companies. Some of the latter are straight barter trades and others are purchases for currency on an instalment basis, usually 20 per cent cash and 20 per cent each six months thereafter. These deals constitute a mortgage on future earnings.

Under these agreements, the flow of imports tended to continue in the accustomed channel far beyond the point envisaged in the reciprocal credit clause which most of these treaties contain. The result was that Argentina accumulated considerable commodity debt—with Brazil, for example, this was rumoured at the equivalent of US$100 million. Several supplementary or substitutive agreements have already been negotiated whereby this debt will be paid off over the next few years in instalments of Argentine goods. This repayment will necessarily reduce Argentina's export earnings and thus the foreign exchange to buy essentials in world markets.

Scarcity of Dollars

This country has a chronic scarcity of dollars. Because about 90 per cent of its exports normally consist of agricultural products, its earnings are about three of soft to one of hard currencies. Present policy is first, to obtain everything possible under existing bilateral agreements, second, for the soft currencies available, and last for dollars. The latter are granted by the Central Bank only for essentials which cannot be obtained anywhere but in the dollar area. As a rule, the Bank will not grant exchange for any product, or a reasonable approximation, which is already produced in sufficient quantity within the country. The availability of dollars to finance dollar imports is further reduced by the Central Bank's custom of using dollars to bolster the foreign exchange and gold reserves.

From January-June of this year, Argentina showed favourable trade and exchange balances for the first time since 1950 for any similar period. This is the time when cereal exports, wheat particularly, are in full swing. It is likely that a surplus will accumulate at the same rate during the

second half of the year because, although some cereals are nearly exhausted and others will diminish in volume as the year progresses, the bulk of the wheat and maize has still to appear in the export figures.

The favourable trade balance for this half-year amounted to some 1,147 million pesos, compared with unfavourable balances of some 3,133 million for January-June 1952 and of 3,969 million and 3,781 million for the years 1952 and 1951. These combined trading deficits are sufficient to absorb all likely net earnings for a number of years.

Imports Still Restricted

As compared with a year ago, the Central Bank's gold holdings at July 31st had almost doubled to 1,623 million pesos; the gold-backed foreign exchange increased by 50 per cent to 225 million, and other foreign exchange by 25 per cent to 1,908 million. The favourable balance achieved this half-year is not due so much to expanded exports—although they did expand by 83 per cent—as it is to curtailed imports, down by more than half compared with the same period last year. Considerably more exchange permits have, however, either been issued recently or will be shortly, mainly for fuels, machinery of various kinds and spares, metals and essential drug products.

A reliable authority has estimated that to supply the pent-up demand for essential products, imports should run at the rate of some 700 million pesos ($140 million) a month, for the whole of this year. No such figure is likely under present conditions.

Canadian trade prospects will continue to be confined to those commodities which cannot be obtained under existing bilateral agreements or for soft currencies, even at prices appreciably higher. The recent visit of the Canadian Trade Mission served to make Canada somewhat better known and it has already influenced the diversion to Canadian exporters of a somewhat larger share of the dollars available for imports.

Five Year Plan

The second Five Year Plan was recently announced. Official expenditure is estimated at 33,500 million pesos, equal to a third of the country's estimated savings over the five-year period 1953-57. Some reliable quarters estimate the possible maximum at 20 per cent. The remaining two-thirds of the estimated savings are expected to be invested by private companies. This estimate of the national savings available for investment in the Plan depends, of course, on continued good crops and no recurrence of drought, together with the arresting of inflation. Success will also depend on an increase in the labour force of about one million, to be provided by natural growth and immigration.

Should the private estimate of the national savings be nearer the mark than the official one, it is hoped that foreign capital will fill the gap. Congress has just passed a bill which governs and encourages such investment for the development of industry and mining and accords it the same protection as that given to national capital. Foreign capital previously approved by the Government may enter as liquid funds or in the form of machinery, equipment, tools and other assets. Two years after entry, profits of up to 8 per cent a year on the registered capital may

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be remitted abroad. Alternatively, profits may be registered as foreign capital with the same right of remission later. After ten years, all registered capital may be withdrawn in annual quotas of between 10 and 20 per cent. Other benefits—such as exempting physical assets from customs duties—are to be allowed. The bill, however, makes no provision for the remission abroad of profits earned on the foreign capital already invested in Argentina.

Expanding Petroleum Industry

One of the most important goals of the Plan, for which foreign capital will likely be needed, is the expansion of the petroleum industry. Probably the greatest single drain on the country's foreign exchange earnings is for fuel. Almost no coal is yet produced although the development of a low-grade field in the south is under way and is designed to supply all of Argentina's requirements. Only about one-third of the petroleum products needed are produced and, although production is expanding, it is not keeping pace with increasing consumption.

If Argentina could provide its own fuel requirements, the exchange saved would go a long way towards financing imports of the large quantities of capital goods essential to the success of the Plan. New oilfields in the north of Salta Province promise a potentially large increase in petroleum production as soon as the capital necessary to develop them can be found. No doubt the practice of obtaining capital goods on deferred payment terms, either for exchange or for goods, will be continued by the authorities in obtaining oil equipment for the State petroleum enterprises. However, national savings and credit purchases are not likely to provide sufficient capital for this development nor for mineral exploitation.

Economic Union

In July a treaty was signed with Chile which constitutes the framework of economic union which later will be enlarged by a number of subsidiary enabling agreements. Much the same type of treaty was signed with Paraguay in August. Co-ordinated development of all three economies on a reciprocal basis is the plan, with the aim of creating a single economic area. An ultimate customs union is in prospect, with some immediate exemptions from duty of specified goods. Import, export and exchange controls are to be simplified and reduced to a minimum, as are the controls over the movement of capital and profits. The present compensatory trade agreements are to be amplified and border and transit trade facilitated. Internal taxation on consumer goods is to be equalized and all transport pooled and integrated. The southern Trans-Andine railway will be completed, existing means of communication developed, and tourism encouraged. Other South American countries are invited to join.

Whether or not a true economic union will come, considerable interim benefits should result. Chile and Paraguay will provide markets for Argentina's foodstuffs and other consumer goods as well as for some light capital goods. Argentina should be a good customer for Paraguay's tropical products and for Chile's metals and metal goods, fish products and fertilizers.

—C. S. Bissett
Commercial Counsellor for Canada

Paragraay • • •

BUENOS AIRES—Paraguayan prosperity depends to an important extent on the economic fortunes of its neighbour and best customer, Argentina. The Argentine economic crisis of 1952 was reflected in Paraguay and Argentinian recovery this year has induced a similar upward trend in Paraguay. Excluding some setbacks such as frost damage in July to the second cotton and sugar cane crops, the general tone in production, marketing and finance is one of improvement over last year, though 1952 was a bad year. An important part of this improvement stems from Argentina's greatly increased purchasing power and its come-back as a market for Paraguay's tropical products, particularly timber. This commodity, livestock and its by-products and tropical and semi-tropical agricultural products account for some 80 per cent of Paraguay's foreign exchange earnings.

The effects of two important changes in the financial structure are just now beginning to emerge. First came the devaluation of the guarani of a year ago, further amended in December last, and second, the U.S. $5 million loan. The former permitted considerably increased guarani prices to be paid to producers, and gave added incentive to expand acreage. The latter was designed to make possible the effective cultivation of this larger acreage by the same labour force, by providing badly needed agricultural machinery and implements and building roads to help get the resulting produce to market. This capital investment is under way. Its effects will benefit the whole economy.

Trade treaties have been concluded with Uruguay, Italy and Argentina in an effort to ensure markets for a substantial part of Paraguayan production. The first two are mainly barter or compensatory agreements although that with Italy also provides for Italian capital investment in new industry. The treaty with Argentina is much more comprehensive. It is an embryo economic union and is discussed on page 8.

As in Argentina and Uruguay, Paraguay earns through exports a much larger proportion of soft currencies than hard. Under present conditions this means the country is forced to purchase where it can sell, even when prices are less attractive than in the dollar area. Even the ratio of purchases to sales in the dollar area cannot be maintained because dollars are being used to bolster depleted exchange reserves. The year 1952 was a particularly bad one because a substantial part of the dollar earnings had to be diverted to the purchase of wheat from the United States. Wheat is usually supplied by Argentina for pesos but last year that country had no wheat to sell. The result was not only a substantial decrease in exchange reserves but also a fairly severe curtailment in customary imports from the dollar area. Until the reserves have again been built up to a reasonable level, greater freedom in the allocation of exchange for dollar imports will not be possible. This will not happen in '53.

—C. S. Bissett
Commercial Counsellor for Canada

Uruguay

- *Policy of retrenchment has shown results in '53.*
- *All 1952 wool clip, and accumulated stocks, sold.*
- *Conservative import policy will continue this year.*

BUENOS AIRES—The much brighter economic picture in Uruguay this half-year contrasts markedly with the recession in the similar period of last year. The disturbing factors have been controlled or neutralized and drought conditions have disappeared. Last year's unfavourable trade balance has been reversed and foreign exchange reserves built up considerably above the danger point of late 1951. The past 18 months have been a period of relative austerity as compared with 1951. Retrenchment has been the watchword to give the economy a chance to recover and to place the country in a better financial position. Exports were pushed and imports sharply reduced, and it is expected that this latter policy will continue for at least the remainder of this year.

Fluctuation in Wool Exports

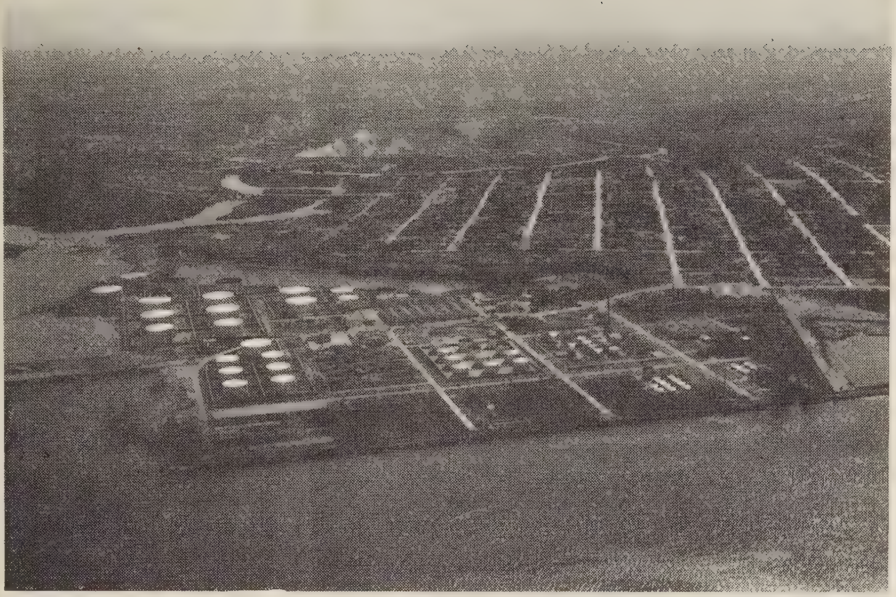
Wool is Uruguay's most important single export product and the bellwether of the economy. In a normal year it accounts for up to 50 per cent of the total export value and good wool markets at fair prices are essential to Uruguayan prosperity.

During most of the first half of last year, both Argentinian and Uruguayan wool was held off the international market on the gamble that prices would again reach the level of those which prevailed in 1951. Unfortunately, that period found buyers fairly heavily stocked at a time of international recession in the textile trades and no longer in a mood to pay high prices for wool. In June, Uruguay re-entered the market at prevailing international prices but compensated exporters for the lower prices by awarding them a higher export exchange rate. The intervening six months' dearth of foreign exchange earnings was, however, responsible for the sharp contraction in imports which still persists and for a substantial decrease in exchange holdings.

Since then, wool exports have risen steadily. In this last year almost the whole of the clip of 1952, plus all accumulated stocks from previous annual clips, has been sold. By August 1, only some 10,000 bales remained for sale between then and the new 1953 clip, due about October. The importance of this one item to the Uruguayan economy is highlighted by the fact that from January-April 1953, wool exports, at roughly US$60 million, accounted for over 60 per cent of total exports.

Foreign Trade

For the same four months, total exports amounted to $99,263,264 (Uruguayan statistics are always expressed in the form of U.S. dollars), compared with only $41,564,973 for the same period last year. The withholding of wool was chiefly responsible for this comparatively low figure.



Pictured above is the refining plant of ANCAP, which supplies Uruguay with all its gasoline and kerosene. Each year this plant, a government-owned monopoly, imports petroleum valued at 25 million Uruguayan dollars.

The opposite trend is evident in imports, which were respectively \$59,-929,295 and \$90,034,251. Nevertheless, this former figure is comparable to the imports during this same period for the years 1948-50. Under present conditions, however, it is considered somewhat low. Canada provided in this period about 4·7 per cent of the imports but took only 0·77 per cent of the exports.

The favourable trade balance was therefore some \$39 million and, since exports are valued on an f.o.b. basis and imports on a c.i.f. basis, this figure will fairly closely approximate the balance of accounts. This compares with a deficit balance last year of some \$48 million.

Exchange and Import Permits

The conservative policy covering the grant of exchange is expected to continue for at least the remainder of this year. At present exchange allocations are mainly confined to First Category, i.e., essential goods. Much smaller amounts are being granted for Second Category, semi-essential, and almost none at all for Third Category, non-essentials or luxuries. All imports continue to require prior import permits. The foreign exchange position is not by any means strong enough to permit the re-introduction of the "sworn declaration" system which was suspended in December 1951. Under this system, exchange was automatically made available to importers of First Category and of specified Second Category goods on presentation of completed import contracts. However, a proposal to free from the import permit requirement certain merchandise from European and Latin American countries with which Uruguay has bilateral trade agreements is being studied. Goods from

the dollar area were not included in the original proposal. However, it is difficult to see how such a concession could be withheld from those dollar countries with treaties in force which guarantee non-discrimination in exchange quotas and the means of international payments.

Certain amounts of dollar-area goods have been imported recently under "switch" deals—i.e., the conversion of trade agreement currencies to free dollars. However, such goods are expensive because of the conversion cost. Moreover, such deals are confined to those specific commodities for which quotas in trade agreement currencies are opened from time to time by the Bank of the Republic.

For the whole of 1952, sales of exchange totalled $234 million; for January-June of this year, the import quotas established already amount to $202 million. This figure, however, constitutes the bulk of the quotas to be established for this year.

Future Prospects

Almost all phases of the economy show considerable improvement over the same period of last year and steady economic progress seems certain. This improvement, however, is not expected to benefit exporters from the dollar area for this year at least. Of the $202 million of import quotas, less than 10 per cent has been allocated to dollar area goods, in spite of larger dollar earnings. Almost 25 per cent of the exports were sold for dollars. Uruguay has the same problem, although less serious, as Argentina has—the rebuilding of its foreign exchange reserves. The current curtailment of dollar imports even beyond the ratio of dollar to total earnings results from the need to conserve dollars to build up these reserves. Once this is accomplished, much more liberal quotas for dollar area goods are expected. However, this is not likely until the early months of 1954, after sales prospects for the 1953 wool clip have been evaluated. Meanwhile, the same buying principle as in Argentina will continue to govern import purchases—that needs will be filled first under existing bilateral agreements, second for soft currencies and last for hard currencies, including dollars. Little change seems probable as long as the inconvertibility of most of the world's leading currencies remains.

—C. S. Bissett
Commercial Counsellor for Canada

One of Chile's minor problems is the plague of rabbits which is invading the southern provinces of Magallanes and Tierra del Fuego. A new bill being sent to Congress by the Ministry of Agriculture provides several measures for dealing with this problem. For example, ammunition, firearms, wire mesh, etc., imported to help in the anti-rabbit campaign, are to be declared free from customs duties. In addition, rabbit skins and hair are to be exported without restrictions at the free bank rate of Ch.$110 per U.S. dollar. The Government will levy a tax on these exports equal to 10 per cent of the declared value. The proceeds will be deposited in a special account and used by the Ministry of Agriculture for research into methods of control.

Brazil

- *New policies introduced to settle outstanding debt.*
- *Canada among top twelve exporters to this market.*
- *Several signs indicate improvement in months ahead.*

RIO DE JANEIRO—The goodwill visit of a distinguished group of Canadian government and business leaders to Brazil early in January gave a promising start to a year that unfortunately developed into what may well be the gravest one in Brazilian financial history. A quick glance at the drop in Canada's exports to and imports from Brazil gives little reason for optimism in the immediate future. However, a brief comparison with the general position shows Canadian exports to Brazil down by 49 per cent and imports from Brazil by 22 per cent. On the average, Brazil's imports decreased by more than 50 per cent and exports by 14 per cent and, while the United States retained first place as supplier and customer, her exports to Brazil have dropped by some 65 per cent and imports from Brazil by 12 per cent. A survey of the Brazilian statistics covering the first four months of 1953 reveals that Canada has moved up into the top dozen countries selling to and buying from this market. There is reason for guarded optimism because, if this position can be maintained in a time of crisis, it augurs well for the future.

A Turning Point?

The appointment in June last of Sr. Oswaldo Aranha as Minister of Finance and Sr. Marcos de Souza Dantas as Director of Exchange may have marked the turning point in Brazil's financial fortunes. Both are realists with initiative and foresight and highly qualified to direct financial policy. Since the appointments were made, there has been in commercial circles a feeling that now an active effort is being made to grapple with the economic problems. However, they made no rash promises and initiated a regime of austerity. In a broad outline of his financial policy, the Minister of Finance emphasized the prime importance of settling Brazil's debts and the desirability of removing obstacles to foreign trade, particularly the red tape that discourages exporters. His aim is to check inflation, maintain the value of the cruzeiro, and continue the operation of the free exchange market in an atmosphere of confidence.

Exchange Position Critical

So far in 1953, economic conditions have been dominated by the exchange situation. Problems are piling up as a result of the drastic import restrictions which must be maintained if the country is to pay off the large accumulated commercial debt. Inflation has continued virtually unchecked and has brought general discontent and dislocation of industry through strikes. The federal budget deficit, biggest in Brazil's history,

has been the major cause of credit expansion during the first half of the year. Now the Finance Minister has forecast about a Cr.$10 billion deficit in the present fiscal year. However, he has called for support from all quarters, particularly government departments and agencies, to cut expenditures to the bone. His declared intention is not to issue currency to cover the deficit except as a last resource and only after consultation with the Congress. However, the major portion of the tax receipts come in during the second half of the year.

The backlog of commercial debts continued to pile up until it reached the equivalent of over US$800 million, half of which was in dollars or other convertible currencies. By long-term loans, medium and short-term credits, sales of accumulated stocks of last year's export products, and current exports it is proposed to bring the debt position up-to-date and keep it so.

The terms of the $300 million loan from the U.S. Export-Import Bank were renegotiated recently, with Brazil undertaking to liquidate all outstanding U.S. commercial debts by December 31. In a recent statement to the press, the President of the Bank of Brazil said he expects Brazil's entire backlog of commercial debts abroad to be paid off by the end of the year. There have been wide fluctuations in the free market rates for foreign currencies and on two occasions the U.S. dollar has topped Cr.$50, but since the new policies were introduced, the cruzeiro has strengthened to less than Cr.$40 per dollar at the time of writing.

Imports and Exports Drop

Although available figures cover only the first four months of the year, they show a considerable decrease in both exports and imports. An exchange surplus equivalent to US$43 million in all currencies was achieved during those four months, but only by cutting imports more than 50 per cent compared with 1952. Unfortunately, exports also declined by 14 per cent compared with the first four months of 1952, a time when they were also unusually low.

The importance of exports can hardly be over-emphasized because they are almost Brazil's only source of foreign exchange and the cornerstone of import policy. In the first four months of this year the physical volume of exports was down 48 thousand tons and the equivalent of US$80 million, compared with the similar period in 1952. Almost all products contributed to the decline and practically all Brazil's principal trading partners bought much less. The main customers in order of importance were the United States, Germany, France, Sweden, the United Kingdom, Italy, Denmark, Holland, Norway, Argentina, Belgium- Luxembourg and Canada.

Although the original experiment with exports through the free exchange market did not come up to expectations, Brazilian exporters now hope for improvement as a result of the following new policies:

- Simplifying bureaucratic procedures and eliminating red tape.

- New regulations increasing from 30 to 50 per cent the proportion of sales proceeds for a large number of products to be paid with free market exchange.

- A new system of established prices for coffee and other major export commodities, with exporters keeping for their own use any margin realized on an export sale over the established price.

- A series of discounts to encourage sales of cotton to selected destinations.

- Bilateral trade agreements with a number of countries.

The two major export products have not fared well this year. The coffee market was upset by a struggle over prices both at home and abroad and in the first six months exports were down 850 thousand bags compared with last year. The cotton market continued weak, with international prices well below 1952 and until recently international demand for Brazilian cotton was practically nil. On the other hand, cocoa exports are up 75 per cent by volume and 42 per cent by value over the equivalent period of last year, with the prospect of a normal international market for the main crop now coming in.

Import Restrictions to Continue

The total value of imports in the first four months of this year was the equivalent of $378 million, compared with $802 million in the same period last year. Of these totals, imports in convertible currencies accounted for 56 per cent and 62 per cent respectively. Imports of all the principal producers' goods and raw materials were down, except petroleum products and wheat, which make up 30 per cent of the value of imports and which showed a slight increase. The principal supplier countries in order of importance were the United States, Dutch West Indies, Venezuela, France, Argentina, Germany, the United Kingdom, Canada, Denmark, Sweden, Norway and Trinidad.

Import prospects for the second half of this year continue to be gloomy. The strict limitations now in effect are expected to continue and may even become more severe. Present indications are that the exchange budget for imports from the dollar area in the last half of the year will approximate US$300 million, of which more than US$200 million is earmarked for petroleum products, newsprint, and government expenditures. The estimated amount available for commercial imports is about $60 million, or $10 million a month, compared with some $20 million a month spent during the first six months. The forecast requirements of vital materials from dollar sources during this second half-year is $130 million, said to be an irreducible minimum. With imports during the first half-year well below the subsistence level for many industries and domestic requirements generally, the prospects for the immediate future are hardly encouraging.

New and complicated import regulations were issued in July and have been widely criticized by local business circles. The list is composed chiefly of raw materials and essential equipment and was drawn up to apply to all countries, including those benefiting from bilateral trade agreements. It gives no clear indication of what items are likely to be licensed from dollar sources. The guiding principle in considering applications is to be what foreign currencies Brazil has available at the time. Applicants have been encouraged to nominate several countries as possible sources of supply and the licensing authorities will select the one best

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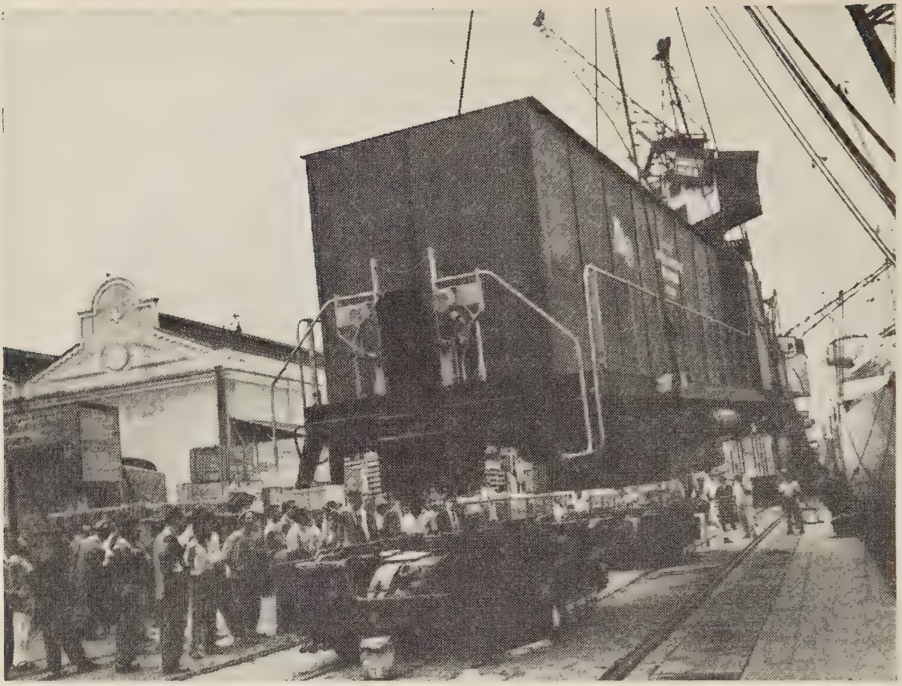


High on the list of Canada's exports to Brazil come capital goods. This diesel locomotive was made in Canada for the Central do Brasil Railroad.

suited to the exchange position. It is expected, therefore, that a more logical importing scheme will be developed but for the present there is little indication of what it is likely to be or when it will be introduced.

The use of the free exchange market as a medium for licensing the import of essential goods that cannot be accommodated through the official market, and even special cases of semi-essential items, is gradually being introduced. However, the Finance Minister recently suspended temporarily all licensing through that channel for the purpose of preserving the free rate of the cruzeiro and reconsidering the items that should be eligible. If that suspension continues too long, it may add to the difficulties of local industries and intensify the inflation.

Industry Feels the Pinch

Trade has been most directly affected, but practically every segment of the Brazilian economy has suffered from the exchange problem. Industrial production has lagged and may drop even more because of the continued inability to import vital raw materials and equipment. There is a grave shortage of electric power, partly because of restricted facilities for importing essential materials and securing foreign financing. The main reasons are, however, a prolonged period of dry weather reducing water supplies to a critical level, and the sharp increase in consumption. Although these conditions affect primarily the expansion and diversification of industry, they have also been responsible for many São Paulo industries failing to maintain established production levels.

The prospects for future industrial expansion and the investment of foreign capital are still uncertain. Only a few weeks ago the President

of the Bank of Brazil said that new industrial projects, irrespective of their usefulness, must wait until the exchange position can take the strain. Industries not so directly exposed to the exchange difficulties—such as steel, coal, cement and sugar—have maintained production.

Agriculture Has Its Problems

Agricultural production has been plagued by natural calamities and, as a consequence, conditions vary from area to area. Floods in the Amazon Valley caused extensive damage to already low production. In the northeast, drought destroyed new sowings completely in some sectors and delayed planting in others. Fortunately harvesting took place under normal conditions in the south-central area and the volume bears out earlier estimates, although it is not much greater than the 1952 harvest. The area provides about 80 per cent of Brazil's agricultural production and the majority of the crops are harvested during the first six months of the year. The harvest to date indicates some relief from the difficult supply problems of the early part of the year.

A heavy frost in the south early in July which damaged the 1953-54 and 1954-55 coffee crops, principally in the State of Parana, has wiped out prospects for a bumper crop in 1954. Conservative observers believe that production next year may be 25 per cent less than previous expectations and about 20 per cent under the current year's harvest. Some growers are likely to suffer serious losses but these losses may well mean a closer balance between supply and demand in the next two years, with higher prices for reduced sales. Cutting back the coffee trees will permit the farmer to plant other crops between the coffee.

Outlook Brightening

Although so far it has been a difficult year for Brazil and is likely to remain so, there are prospects for improvement. A definite effort is going on to move export products by making the returns more attractive to the exporter and prices more attractive to the foreign buyer, and by eliminating red tape. Fortunately export productive capacity has not been fundamentally affected by the financial difficulties and new measures are being introduced to improve the general atmosphere. Rumours are current that the clause that gives the administration power to close the free market at any time will be deleted from the Free Exchange Market bill. This clause has been one of the principal obstacles to prospective foreign investment. Other steps have as their goal the harmonizing of the financial policy of the Ministry and the Bank of Brazil.

Various new essential industries are nearing completion and the amount of exchange to be saved when they come into production has been calculated at $32 million this year, $58 million in 1954, $126 million in 1955, and almost $160 million in 1956. These figures cannot be taken to represent a net saving but will undoubtedly mean substantial relief once they get under way. Amongst the visible improvements are the firming of the cruzeiro on the free market, the fact that last year's cotton crop is moving, and the measures to encourage exporters of coffee and other products not directly linked to the free market. There is, moreover, greater confidence in business circles.

—C. R. Gallow
Commercial Secretary for Canada

Chile

- *New measures introduced to strengthen the economy.*
- *Decline in world price of copper has repercussions.*
- *Exports and imports are increasing over 1952 figures.*

SANTIAGO—Checkmate is a term that might well be applied to business conditions in Chile today. Chilean business appears to have reached an impasse because of inflation and because of the anxious waiting period which has followed the introduction of the Government's new economic plan. The measures include a continuation of import control, with the substitution of a uniform rate for the former multiple exchange system; a new State Trading Organization; a law to fix prices; a revision of internal taxes to provide additional income for the new Budget, which will be examined for unnecessary expenditure. In addition, a state-owned bank has been set up to enter the commercial field and help finance the Government's economic plan. Naturally, businessmen are waiting to see more clearly what their new position is with respect to costs and profits.

Chile spends at home and abroad far more than she earns and for some years has attempted to use credit to overcome this difficulty. The new policy suggests consumer economy and increased production which, of course, would be a solution. However, the proposed increased production in itself requires increased expenditure and it will take time before results become apparent. This, plus labour difficulties and industrial and agricultural problems, contributes to temporary unrest.

Selling Copper Production

Chile during the past year has had to face deficits in both her National Budget and her Foreign Exchange Budget. The decline in the world price of copper has had an adverse effect because the copper industry is the principal provider of foreign exchange and an important taxpayer. The Chilean Government, as sole salesman of copper production, has endeavoured to hold out for what is now an artificial price for copper—35½ cents per pound. The result is that important quantities, and even shipments under compensation agreements, have been held up. Efforts are now being made to dispose of these stocks at a lower price, with perhaps a loan negotiated to help cover the resulting deficit in the copper income. It is reported that, of the total annual production of 340 thousand tons, 165 thousand tons have been sold at the fixed price. Chile is attempting to arrange for the purchase of the entire stock of copper by the United States Government. It is expected that the United States will co-operate, but only if the Chilean taxes imposed on the large mining companies are revised.

The nitrate industry, another important provider of exchange, has seen exports drop but the situation is being corrected by granting more

favourable export rates. High prices intensify the ever-present threat of competition from synthetic production and it is reported that Brazil and Egypt, important purchasers of Chilean nitrate, are considering the construction of a plant to make synthetic fertilizer.

High agricultural costs had made export prices non-competitive but the granting of an improved exchange rate for the liquidation of returns made it possible to resume shipments.

Foreign Exchange Deficit

The Foreign Exchange Budget for 1953 was calculated to balance at US$470·5 million, or US$27 million more than the previous year. The falling-off of exports means that the deficit at the end of the year will be considerable, estimates varying from US$100 million to US$150 million. As a result, the import permit system has been tightened and exchange is being reserved for essential consumer goods, raw materials for industry, and machinery. All preferential exchange rates for imports have been abolished and the rate is being maintained at Ch.$110.00 per dollar.

Chile is making every effort to increase trade with countries willing to enter into bilateral arrangements. Such treaties have been negotiated with Germany, Italy and Argentina, among others. Chile is particularly keen to increase exports of nitrate under such arrangements.

National Budget Increases

The 1953 National Budget was approved at a balanced figure of Ch.$47,464 million, as compared with Ch.$29,889 in the previous year which, however, ended with a considerable deficit. Despite the efforts of the new government to curb expenditure, a new high will undoubtedly be reached. It is said that the Budget to be presented to Congress in September will reach Ch.$60,000 million.

Inflation has continued to affect industrial undertakings and it has proved difficult to raise new capital. One indication of the position is the share index value of industrial corporations, which has only increased from an average of 82·7 in 1948 to 96·0 in April 1953. The official banking rate value of the peso has moved from Ch.$43.00 to Ch.$110.00 per dollar. The textile section of the share index included in the foregoing has declined from 78·2 to 54·9.

Expansion of Trade

The external trade of Chile continued to expand in 1952, with exports increasing from 1,824·5 million gold pesos (gold peso is equal to about 21 cents) in 1951 to 2,236·1 million in 1952, and imports from 1,593·4 million to 1,796·4 million. Agricultural products, in contrast to the previous year, showed an appreciable increase of 28·3 million to 100·2 million, but this is still only 6 per cent of the value of mineral exports, which constitute 78 per cent of the total. Wheat, which accounted for 38 per cent of Chile's imports from Canada last year, will this year be purchased in Argentina. Approximately 200 thousand tons will be required. The United States continues to be Chile's major customer and supplier, with Argentina in second place as customer and third as supplier. Trade with Germany increased significantly.

Figures just released on exports and imports for the first five months of 1953 record a considerable improvement. Nearly two million metric

—University of Chile

This rather striking photograph shows one of the principal copper mines in Chile. Because Chile depends upon copper to earn substantial amounts of foreign exchange, decline in the world price has affected national income.

tons of Chilean products, valued at 930·4 million Chilean gold pesos, were exported and nearly 900 thousand tons of foreign merchandise, valued at 641·4 million Chilean gold pesos, were imported. In the first five months of 1952 exports were valued at only 224·1 million gold pesos and imports at 128·7 million.

Leading exports were copper, valued at Ch.$340·6 million; nitrate, Ch.$116·2 million; iron ores and sheets, Ch.$44·9 million; agricultural products, Ch.$36·2 million; wool and sheepskins, Ch.$29·6 million.

The principal imports were petroleum and other oil products, Ch.$76·3 million; cotton, Ch.$36·6 million; sugar, Ch.$36 million; cattle, Ch.$26·7 million, and edible oils, Ch.$17 million.

Canada's Trade with Chile

Canadian statistics show a decrease in exports to Chile from Can.$13·7 million in 1951 to Can.$10 million in 1952, although this figure includes wheat exports of Can.$3·8 million which are unlikely to be repeated. Newsprint purchases have this year been diverted to Scandinavia because of Chilean currency restrictions.

Canada's total trade with Chile for 1953 may well be less than 50 per cent of last year, but there is every reason for exporters to look to this country as an expanding market for Canadian products. Sales of agricultural machinery under the Development Corporation plan (involving two years' credit) have continued to increase and the potential demand for industrial and capital goods will grow with industrialization. Raw

materials, machinery, industrial chemicals, ferro-alloys and asbestos are in demand and the country requires an extensive range of manufactured products. Exporters interested in this market must be prepared to give it patient, personal attention and to be content for the time being with small and sometimes token orders.

Chile is short of dollar earnings and Canadians could assist in easing this problem by increasing their purchases of Chilean fresh fruits, onions, beans, sheepskins and wine. A new government purchasing agency and the Chilean Development Corporation are likely to become increasingly important factors in Chilean international trade.

Increased Industrial Production

The average general index of industrial production (basis 1936-38=100) increased from 168·5 in 1950 to 193·4 in 1951 and 212·8 in 1952. The steel industry, with increased production of the new steel works at Huachipato, is principally responsible for the improved 1952 index figure. Consumption goods and electric power expanded, but industry in general made a poor showing.

A greater volume of electric power is being made available to industry and the National Electricity Corporation—ENDESA—a subsidiary of the Development Corporation, is going ahead with its extension plan. By next year this should mean additional electric power for the central provinces. A general expansion plan is announced, to be completed in twelve years at a cost of US$30 million and Ch.$7,000 million.

Negotiations for the establishment of a number of new industries have been going on. These plans include a rubber footwear factory, an aeroplane factory under the auspices of the Chilean Air Force, a penicillin plant for which a contract has already been signed with the World Health Organization, and a wire mesh factory in Punta Arenas. This latter is specially designed to combat the rabbit plague by supplying wire enclosures.

Installations are being completed for the first beet-sugar factory in Chile which is expected to commence operations by April 1954. This will likely be followed by other beet-sugar factories, eventually making Chile independent of foreign supplies and saving in foreign exchange about US$20 million a year.

Mining Industry

The Chilean mining industry reported reduced output during 1952 in nitrate, iodine and iron, compared with the previous year. The number of workers under all headings increased but most of this increase was in the coal mining industry. Comparative production figures for the two years were:

	1951	1952
Copper	379,726 tons	404,742 tons
Nitrate	1,684,407 "	1,427,817 "
Iodine	1,298,482 "	818,336 "
Iron	3,174,338 "	2,310,474 "
Coal	2,211,295 "	2,416,894 "
Gold	5,402 kg. fine	5,475 kg. fine
Silver	30,590 " "	38,766 " "

The cost of living, according to official statistics, increased by 13·1 per cent from June 1952 to June 1953. However, there has been a further

increase since then as the result of the abolition of preference rates of exchange for essential consumer goods, including sugar, tea and edible oils. Further price increases will be announced shortly. To meet these increases, the Government has decreed the increase of lower bracket salaries by 15 per cent and announced the "freezing" of prices over a wide range of articles and services from June 15th last. This presented the administrative difficulty of determining the last price in force as of June and the measure has caused an artificial shortage of a large range of commodities. Further price increases are inevitable; so are renewed demands by labour. Curtailment of Chile's inflation is still in a very early stage.

—M. R. M. DALE
Commercial Secretary for Canada

Colombia

- *Record coffee exports boosted country's earnings.*
- *Import restrictions lifted on wide range of goods.*
- *Canadian-Colombian trade at all-time high in '52.*

BOGOTA—On the whole, 1952 was the best business year that Colombia has experienced in recent times. The 5·03 million bags of coffee exported, thanks to continued high prices, brought in a record $380 million (83 per cent of all exports) and 1953 exports may reach 5½ million bags. Gold and exchange reserves rose to $154 million at the year's end, a $29 million increase in 12 months, and by the end of August 1953 reached the $200 million mark. Agriculture and manufacturing both made sound progress and the boom is continuing in 1953. Exchange control remains in force but import licences are being approved without delay. Collections are good and Colombia is undoubtedly one of the most lucrative markets in Latin America at the moment.

Import Restrictions Relaxed

This prosperity is of recent vintage and is in strong contrast to 1950, when exchange reserves fell to a dangerously low $100 million. In addition to bumper coffee crops and high prices for coffee, much credit for the change goes to the fiscal and monetary reforms instituted on March 20, 1951. These revalued the peso from 1.95 to 2.50 to the dollar and prohibited the entry of several hundred products not considered essential.

The improved exchange position has enabled Colombia, long fearful of its heavy dependence on the American coffee market, to take steps in the past 18 months to broaden its trade. These steps included the removing of a wide range of manufactured goods from the prohibited list, thus permitting European countries to purchase Colombian coffee in exchange for their manufactures. To keep such trade on an even keel, the Colombian Government passed legislation in 1952 which stipulated that certain products (including radios, lightweight autos, dried fruits and motor

bicycles) could only be imported from countries with whom Colombia's trade was in approximate balance or which had a trade agreement with Colombia. Canada benefits from this arrangement.

With the nation's economic fortunes so largely based on coffee, a movement to diversify exports has been gathering momentum. In August 1952 a decree was passed designed to encourage the production and export of other agricultural products, as well as certain manufactures.

The principal commodities affected were rice, corn, sugar, cement, leather, cigars and manufactures of gold. Realizing that most of these products were not competitive in the world market, the Government arranged an incentive system for the producers, which permits them to sell their foreign exchange proceeds to importers on the free market through a system of Exchange Certificates. Because merchandise otherwise prohibited may be purchased with the certificates (including medium- and heavy-weight automobiles, canned meat and fish, playing cards, phonographs and linoleum), they have been in great demand and have in recent months been selling for about 30 per cent above the normal 2.50 exchange rate. Under such a system, exporters can quote at competitive prices abroad and still receive handsome returns in their own currency. In effect, of course, they are being subsidized by the Colombian consumers who must absorb the higher cost of merchandise imported under this arrangement. So far, the bulk of Exchange Certificates have been furnished by exports of rice and have been used principally to import automobiles. It is estimated that certificates issued in 1953 will amount to more than $15 million.

Canadian-Colombian Trade Growing

Canadian-Colombian trade reached an all-time high of $31·7 million in 1952 and the first five months of 1953 show an increase over a year ago. Canadian exports of $13·7 million to Colombia in 1952 were slightly above the 1951 figures, but below the $14·8 million of 1950. Colombia's exports to Canada climbed to a record $18 million, 88 per cent of which represented coffee and consequently, Canada ranked as the second largest purchaser of this commodity, next to the United States.

Even though the range of Canada's exports to Colombia covers over 200 tariff items, a relatively small number account for a large portion of the dollar value involved, as the following table illustrates.

Major Exports from Canada to Colombia
(In Canadian dollars)

	Year 1952	Jan.-May 1953	Jan.-May 1952	% change from Jan.-May 1952
Rubber, tires, fan belts, etc.	$ 333.673	$ 190.510	$ 159.186	+19·7
Pulp	282,654	32,566	153.268	—78·6
Newsprint	1,606,319	594,588	735,067	—19·1
Paper	659,609	57.807	445,682	—87·0
Agricultural machinery and parts	2,498,846	900,590	489,835	+81·8
Aluminum	563,781	212,132	359,107	—40·0
Copper	1.063.270	221.525	257,890	—14·1
Radio receiving sets	162,789	16.418	40,843	—59·7
Electric motors and parts	122,224	2.545	100.782	—97·4
Asbestos	1,027.245	509,877	271,996	+80·1
Fertilizers	335,888	....	....	....
Drugs and chemicals	183,059	121,845	95,479	+27·6
Total	$ 8,839,357	$2,860,403	$3.110,135	— 8·0
Total of all exports	$13,756,350	$5,605.218	$5.122.385	+ 9·4

76504—4½

Despite the growth of trade between the two countries, Canadian goods imported into Colombia in 1952 only amounted to 3·4 per cent of the total; there is plenty of room for expansion. The United States enjoyed 55 per cent of the Colombian market in 1952 but this is hardly surprising. A recent United Nations survey revealed that "at the beginning of this century the value of total European trade with Latin America was nearly 150 per cent higher than that with the United States. Fifty years later it was some 40 per cent lower. Two world wars and a major depression served to retard European manufacturing potential and consequently its primary imports from Latin America". Nevertheless, European nations are making determined efforts to capture a larger share of the business by quoting at low prices and offering long credits. For instance, Colombian import registrations from Western Germany in 1952 amounted to $25·5 million, almost twice as much as imports from Canada.

Industry and Investment Expand

February 1952 witnessed the installation of a three-man National Planning Council, whose function it is to pass upon all national or regional development plans and to recommend monetary and fiscal measures considered vital to the national economy. Projects recommended by the Council in 1952 included:

- Establishment of a government-controlled Airports and Airways Corporation to take over from private companies the ownership and operation of airports and air communications.

- Construction of a 240-mile railway along the Magdalena River. The latter project is now under way but the former has not yet been undertaken.

Colombia continues to be a fertile field for investment from abroad. Foreign companies that come in to set up entirely new industries which will use only Colombian raw materials are exempt from patrimony tax during the first five years. In August 1952, the International Bank for Reconstruction and Development announced a $25 million loan to assist in building the Magdalena Valley Railroad and in September, $14·3 million for road building, thus bringing its total investment up to $69·6 million. The earlier loans were made for badly needed road construction and electrification projects which are now being carried out. The U.S. Export-Import Bank also approved a $4·5 million loan in January 1953 for the completion of three irrigation schemes and in July a private investment house in New York was reported to have offered a loan of $200 million for the country's internal development.

Diversifying Industry

Industrial diversification and expansion continued at a good pace in 1952 and 1,985 new companies were registered with a total capital of $109 million, 44 per cent of which was in commerce and 25·7 per cent in manufacturing industries. Private capital amounting to $46 million flowed into the country during the year and by the end of December, the total of such capital registered in industries of all kinds had risen to $834

million, exclusive of machinery and equipment. Industry has now expanded to the point where the country is virtually self-sufficient in cement, beverages, cigarettes, pharmaceutical products, cardboard containers, soda ash, textiles, and rubber tires.

The giant $100 million Paz del Rio steelmaking project is nearing completion and the inauguration is scheduled for the early part of 1954. Production of petroleum rose from 24·9 million barrels in 1947 to 38·7 million barrels (of 42 gallons each) in 1952 and exports accounted for $71·4 million, making this commodity second only to coffee. Lack of good transportation facilities and critical shortages of electricity in many areas still remain the two biggest handicaps to Colombia's industrial development, but gradually, with the aid of foreign loans, these obstacles are being overcome.

Agriculture Receives Aid

Colombia is fortunate in having vast amounts of rich land suitable for many types of agriculture and in 1952 production of wheat, rice, and cotton showed substantial gains. The Government has given valuable assistance by expanding credit facilities to farmers to finance heavy imports of farm machinery and supplies, and by promoting irrigation projects, distributing certified seed, and assisting in the selection of improved breeding stock. Contracts were awarded for the construction of eight large silos, badly needed for the storage of domestic wheat and other crops, and payment was arranged through an Export-Import Bank loan of $2·2 million, plus a 6⅓ cent surtax on each bushel of imported wheat. The Rockefeller Foundation is stepping up its agricultural program by erecting a large experimental station near Bogotá, to carry on research in wheat, corn, potatoes, beans, barley and oats, as well as in animal husbandry.

The Point Four Program initiated in the spring of 1952 includes experimentation on rubber and coffee, plus improving educational standards through the exchange of seven Michigan State College professors seconded to two Colombian Agricultural Colleges.

Promises Peaceful Progress

The new Government under General Rojas Pinilla has already set about raising $16 million to resettle thousands of people uprooted from their homes and both commerce and industry look for progress under the new regime. The Government now hopes to lower working class living costs, which rose from 395·9 in December 1952 to 418·2 (1937=100) in May 1953, though, fortunately, the rate of national investment (2½ per cent from 1938 to 1951) is growing more rapidly than the rate of population increase (2¼ per cent from 1938 to 1951). In addition, a government agency has been empowered to build thousands of low-cost dwellings and public savings are being used in exchange for redeemable bonds in order to guarantee the success of the project.

—W. J. Millyard
Commercial Secretary for Canada

Ecuador • • •

BOGOTA—Adverse weather conditions in the earlier part of the year and signs of political instability have affected business in this predominantly agricultural country. However, with improving weather and better crop prospects, business optimism seems to be returning. When the final count is made, 1953 may be remembered as a favourable year.

The year 1952 brought good crops and satisfactory international markets, and the result was a substantial favourable balance of payments. The Ecuadorean economy was therefore particularly healthy at the beginning of 1953.

In spite of progress in manufacturing, mining and forestry, agriculture still is king. The Republic's economic fortunes rest to a large degree on four basic crops—bananas, cacao, coffee, and rice. A study of crop conditions indicates that, although flooding of fields and plantations during the January to May rains brought tremendous losses, as did the inability to secure storage facilities at the terminals because of disruptions of rail and highway transport, entries onto the Guayaquil market were well maintained in comparison with last year. The overall 1953 picture, therefore, may prove to be a bright one, even though markets have shown some signs of weakness.

Import Controls Few

The Ecuadorean Government has placed only a few goods on the prohibited list and most imports are readily admitted. Commodities allowed entry are paid for with exchange under one of the following categories, according to their essentiality.

List A	*List B*	*List C*
15.15 Ecuadorean sucres to the U.S. dollar.	15.15 sucres to U.S.$ plus 33 per cent import surcharge.	17.40 sucres to U.S.$ plus 44 per cent surcharge.

By government decree of April 7 and in order to cut living costs, many consumer goods were shifted from List C to B and from List B to A. These goods included refrigerators, bicycles, batteries, certain canned foodstuffs, firearms, mirrors, lamps, certain tools, nylon hose, pencils, classical recordings, etc. A complete list of the affected commodities may be obtained from the International Trade Relations Branch of Department of Trade and Commerce in Ottawa. Flour of wheat, on the other hand, was moved from its favourable position on List A to List B, thereby reflecting Ecuador's progress towards self-sufficiency in the milling of flour.

Although supplies of foreign exchange appear to be ample for market requirements, the holdings of the Monetary Reserve have declined steadily. These reserves fell from the year's high point of 591,488,000 sucres on February 28, 1953, to 506,227,000 sucres on July 15, 1953—the latest figure

available. This decline is in marked contrast to the jump from 475,425,000 on July 30, 1952, to 591,567,000 sucres on December 31st last. However, crop sales on the international market in the last half of the year may reverse the trend and maintain the Government's holdings of foreign exchange at a satisfactory level.

Trade with Canada

Canada enjoys a small share of Ecuador's import market, shipping in goods valued at $2,712,599 in 1951 and $2,030,013 in 1952. In the first four months of 1953, our exports showed an appreciable gain over the same period last year. Canada's exports to this market include wheat, flour of wheat, canned fish, vegetables, many types of paper products, and assorted manufactured goods.

Sales of wheat flour to Ecuador seem certain to decline because it has been included in a less favourable export category, and sales of wheat may fall off because the Ecuadorean Government hopes to achieve self-sufficiency in wheat. Thus, if Canada wants to maintain the value of her trade with Ecuador, exporters must try to introduce new products or expand sales of other commodities.

—W. J. Millyard
Commercial Secretary for Canada

Cuba

- *Restriction of 1953 sugar crop has widespread effect.*
- *Canadian exports today are facing stiffer competition.*
- *Sales of wheat flour, copper wire, machinery fell in '52.*

HAVANA—The general note of alarm in Cuban economic circles, sounded early in 1953, has softened considerably. The sugar crop, the basis of the Cuban economy, was in 1952 the highest on record—7,011,498 Spanish long tons, compared with the previous high in 1948 of 5,876,671 Spanish long tons. Cuba has traditionally supplied the largest single share on the world's free market and until 1952 continued to sell her total production at good prices. This position was affected by the return to comparative normality of other sugar-producing countries. With falling sales in 1952, the 1953 sugar crop was restricted by decree to five million Spanish long tons, with the hope of maintaining prices at reasonable levels.

The restriction of the 1953 crop to approximately 29 per cent less than in 1952 had inevitable repercussions. However, these were not as serious as was feared although, until the Cuban economy finally levels off, sales will continue to be affected.

Cuban importers, distributors, retailers and wholesalers are now inclined to maintain smaller stocks than in the past. Previously the tendency was to stock over and above normal needs, but the curtailment of the sugar crop—which normally employs up to half a million people

during the harvest (late January to June)—meant a cut in working days and less money in circulation. The result was that the high inventories disappeared more slowly.

Off-season unemployment was, in other years, partially alleviated by an effective public works program. For over a year now, public works have not been at as high a level as in the past and this too has affected purchasing power. Now the program of public works is being stepped up. The failure of sugar mills to carry out their usual maintenance and replacement work has accentuated unemployment. It has also affected the hardware and iron and steel trades, which made large sales to the sugar industry. However, the conclusion of the International Sugar Agreement in London should mean comparative economic stability for Cuba in the next few years.

Sugar Production and Sales

According to Cuban official statistics, in 1952 over 85 per cent of the value of exports was represented by the sales of sugar and some of its by-products. For the five years 1946 to 1950, the estimated average value of the sugar and molasses production came to a little over $536 million. In 1951 the value of the crop amounted to some $694·4 million (including black-strap molasses, $58·4 million). The estimated value of the 1952 crop is $666·7 million (including $34 million for black-strap molasses). Preliminary figures on the 1953 crop are $429 million (including $29 million for black-strap molasses). Comparative price figures for the 1952-53 crop, as of August 18th, are:

	U.S. Market per lb. f.o.b. Cuba	World Market per lb. f.o.b. Cuba
1952	·5271	·4280
1953	·5473	·3517

In 1953 Cuba has had a total of 5,648,890 Spanish long tons of sugar available for sale—including 250 thousand Spanish long tons estimated local consumption. This figure includes this year's production of 5,006,960 Spanish long tons, a carry-over from the 1952 crop of 291,930 tons, and 350 thousand tons released from the 1952 Special Reserve Financed Quota. One of the great surprises of the year was the U.K.'s purchase of one million tons in anticipation of the ending of sugar rationing. Some 600 thousand tons of this will be from this year's crop. According to official and trade circles, only an estimated 300 thousand tons or less remain to be sold.

Other Agricultural Crops

Tobacco represents only about 5 per cent of export values but next to sugar is the largest single dollar earner. As a result of good weather, this year's crop, harvested January through May, was somewhat larger and of better quality than in 1952. Exports for the year 1952 amounted to about $42 million. For the first five months of 1953, exports were valued at $17·7 million, compared with $14·5 million in the same period of the previous year.

Although Cuba does not export rice, it is interesting to note the rapid increase in local production of this Cuban food staple. Ten years ago, less than 600 thousand cwt. was grown locally. Estimates for the 1952-53 crop are approximately 1·8 million cwt., as against the estimated con-

sumption of seven million cwt. Almost all the rice imported comes from the United States. Increasing interest in local production means a good market for agricultural machinery, especially rice combines.

International Trade

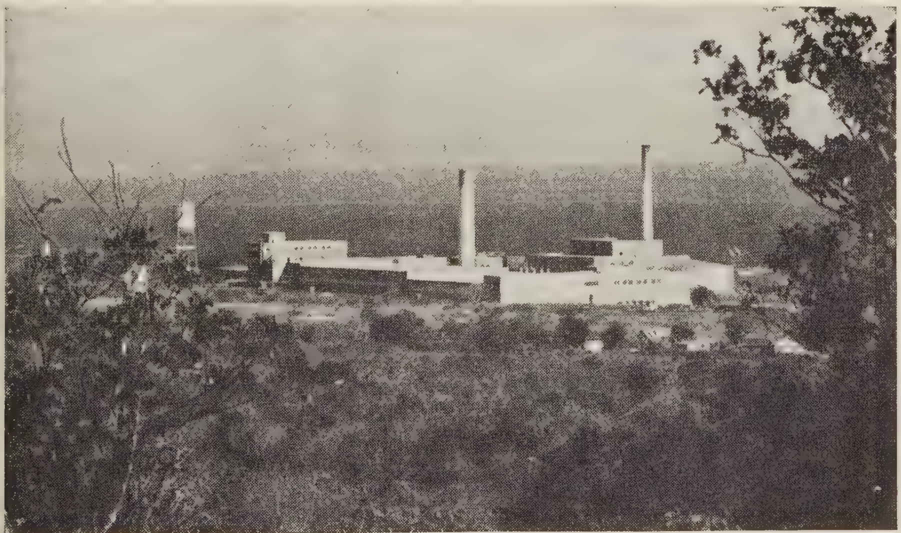
The latest Cuban trade statistics available on both imports and exports are as follows:

	Imports	Exports
1951	$640,214,656	$766,140,124
1952	618,314,082	675,344,960
First three months 1952	161,808,384	172,797,990
" " " 1953	132,290,721	162,163,188

The more important commodities imported in 1952, by percentage of total import values, were:

	per cent
Foodstuffs and beverages	29
Machinery, implements and other apparatus	21
Glass and ceramic products	10
Metals and metal products	9·1
Pharmaceuticals and chemicals	9·1
Vegetable fibres, rayon, nylon, and similar synthetic fibres	6·8
Paper and manufactures	4·1
	89·1

According to the Dominion Bureau of Statistics, Canadian exports to Cuba for the first quarter of 1953 amounted to $3,893,031 (Canadian dollars). For the similar period of the previous year, our exports were valued at Canadian $6,073,922. The main factor in this decline appears to be exports of wheat flour. During the first three months of 1952, the export value of wheat flour was Canadian $926,615, compared with $17,942 this year. A partial explanation is the fact that Cuba's first flour mill started production during the middle of last year. This mill is at present geared to produce roughly 40 per cent of local consumption of wheat flour, most of which is made from Canadian wheat. Another important drop



This viscose plant in Matanzas, opened about five years ago, ranks as one of Cuba's major manufacturers. It produces tire cord, staple fibre and filament textile yarn; supplies the domestic market and also exports.

was in sales of copper wire and machinery and parts. So far in 1953 there have been no shipments of oats because of the Cuban embargo against agricultural products from Canada, à ban which was raised in July.

Cuban imports into Canada for the first three months of 1953 were valued at Canadian $2,432,401 compared with $3,379,120 for the same period of 1952. The principal decline was in imports of raw sugar. The Canadian agreement with Cuba guaranteed our purchase of 75,000 tons of sugar a year and was signed during the fall of 1951 for a three-year period ending in 1953. However, only 25,000 tons were taken during the year of signing and 125 thousand tons during 1952.

International Agreements

Four agreements now in force are of particular interest to Canadian traders with this area:

- The exclusive agreement between the United States and Cuba places on record at GATT in much the same form the Commercial Reciprocity Agreement between the two countries, first effective in 1902 but amended and brought up-to-date on several occasions since. The Agreement gives preferred treatment to commodities from each of these countries. This Agreement has hindered to a great extent our participation in the Cuban market because in many instances the preference granted to the American product make ours uncompetitive. Cuba imports approximately 80 per cent of her requirements from the U.S.

- A new Trade Agreement between the West German Republic and Cuba, which came into force in June of this year and will run to 1955, and the existing United Kingdom-Cuban Agreement negotiated in 1951 and due to run out at the end of this year. These two have assisted Canadian trade indirectly through tariff concessions granted to the West German Republic and the United Kingdom. As a member of GATT, Canada also benefits. In these Agreements the United Kingdom and West German Republic have agreed to purchase substantial amounts of sugar. Both countries bought far more goods from Cuba than they sold to her.

- Canada's agreement in late 1951 to purchase yearly 75,000 tons of sugar from Cuba through 1953. This Agreement has done much to narrow the wide gap in balance of payments in Canada's favour which featured our trade with Cuba in the past.

Looking Ahead

The gearing of the Cuban economy to a lower income has resulted in a tighter market. More than ever, this country will be a buyers' market and eagerly sought after. Apart from the preferential treatment granted to the vast majority of U.S. products (although this has been whittled down to some extent by bilateral agreements) European and Japanese competition has intensified. The Canadian Goodwill Trade Mission of last February did much to publicize Canada, to the benefit of Canadian trade in general. There is a market in Cuba for Canadian manufactures and other products—one which has increased substantially over the last decade. It now presents a greater challenge than ever before.

—W. R. Van

Assistant Commercial Secretary for Canada

Dominican Republic

THE DOMINICAN REPUBLIC continues to be a small but steady and interesting market for Canadian products. With complete freedom from exchange and import controls, the Dominican Republic has nevertheless over the years built up a succession of favourable trade balances. Gold and exchange holdings are substantially higher than they were a year ago.

Sugar, the main export crop, is the Republic's principal foreign exchange earner and sales are made largely to the United Kingdom. Prices this year were somewhat lower but a larger yield of raw sugar, which was satisfactorily marketed, offset the reduction in price. The Rio Haina sugar mill, the Republic's largest, is increasing its capacity and will become one of the largest sugar operations in the Caribbean when installation is complete.

Coffee, cocoa and tobacco are other important export crops.

Trade with Canada

Canada's exports to the Dominican Republic, while running somewhat behind 1952, are still satisfactory at $2,374,000 for the first seven months of 1953. Foodstuffs such as salt fish and wheat flour are the most important items on the export list. However, because this is an unrestricted market, a wide variety of Canadian manufactures appear in the export figures. The volume is, of course, determined by the size of the market.

Business in the Republic suffered its usual summer lull, but it appears to be gearing itself to the increased tempo of previous falls. The opening of an office of the Canadian Trade Commissioner Service at Ciudad Trujillo last September has proved a help to Canadian traders.

—ALFRED SAVARD
Area Trade Officer for Latin America

Haiti

HAITI'S FOREIGN TRADE has dropped considerably from last year's comparatively high level. Sisal, which was in good demand in 1951 and early 1952, suffered the heaviest reverses but coffee shipments also slumped because of a poor 1953 crop. As a result, there was a general falling-off in imports as well.

Domestic business, while not suffering to the same extent as Haiti's foreign trade, nevertheless was affected, and reduced revenues have forced the Government to curtail expenditures slightly.

One of the encouraging features is the continuing increase in the tourist trade. There is no doubt that this solid dollar-earner will show interesting gains year by year as it has for several seasons back. Also helping in the maintenance of a good reserve of foreign exchange are a number of projects involving investment of capital from the United States.

Haiti's main imports from Canada were foodstuffs, headed by salt dried fish and wheat flour, which find a steady market there. Canada, despite reduced exports to this market in 1953, still comes second as a supplier, next to the United States, which continues to dominate the picture as Haiti's largest source of imports.

The absence of exchange and import restrictions make Haiti a small but steady market for a considerable number of Canadian manufactured goods. It is well to remember that it is, by and large, a price market.

Outlook

The Government, through its five year plan instituted last year, has been undertaking an extensive program of road construction which has been progressing satisfactorily. It has also been encouraging the establishment of new industries by granting certain tax exemptions over varying periods of time. Added to this is the program for agricultural and hydro-electric power development in the Artibonite Valley which, when completed, will give a new stimulus to the economy of the country.

Aided by these public works projects, it is expected that business activity will continue at least at this year's satisfactory rate.

—ALFRED SAVARD
Area Trade Office for Latin America

Puerto Rico

PUERTO RICO's main export crops—sugar and tobacco—have maintained their position as compared with last year. Shipments of rum, at 376 thousand cases for the first half of 1953, are well above those for the similar period last year.

The Puerto Rican Government Development Corporation has continued its efforts to establish in the island an ever-increasing number of secondary industries and has met with considerable success. Business conditions, as a general rule, have therefore been satisfactory, despite some misgivings at the outset of 1953.

An Expanding Market

Since Puerto Rico under its new Commonwealth Constitution still retains its position as a free trade area for United States exports, to a large extent Canada's trade is limited to certain products such as fish and wood and wood products which find a natural market in Puerto Rico. Nevertheless, other food products and a fairly extensive list of manufactured and semi-manufactured goods are finding a continually expanding market there. Sales of Canadian goods reached $4,152,279 in the first six months of 1953, compared with $3,654,712 in the first six months of 1952.

—ALFRED SAVARD
Area Trade Officer for Latin America

Guatemala

- *Favourable trade balance achieved in year 1952.*
- *Import duties higher, government seeks new revenue.*
- *Unemployment and strikes are troubling the country.*

GUATEMALA CITY—Reduced imports and increased coffee sales featured Guatemala's foreign trade in 1952. The coffee crop was a good one and prices were high. The country had its first favourable trade balance since goods started pouring into the country after the war to satisfy the backlog of demand. The trade figures for the first three months of 1953 are repeating those of 1952, though coffee shipments are not up to last year's record.

The following table gives the main features of Guatemala's trade in the last four years:

(in millions of U.S. dollars)

	Exports*	Imports	Trade Balance*	Imports from Canada
1949	$52·2	68·0	—15·8	1·5
1950	67·6	71·2	— 3·6	2·3
1951	76·1	80·8	— 4·7	2·7
1952	87·4	75·7	11·7	2·2

* These statistics do not allow for the true, higher income from the banana industry.

Trade Trends

The drop in imports shown above stemmed from more cautious buying by land-owners and merchants faced with the uncertainties of labour and the agrarian reform. The agricultural equipment and general machinery businesses have been hardest hit. Since the panic of cancelled orders and bank withdrawals when the Agrarian Reform Law was being passed last year, wholesale and retail ordering has recovered but is much reduced. Increasing government expenditures abroad make up for some of the loss of commercial imports. Credit conditions have deteriorated and some caution is advisable. Letter of credit terms are unacceptable because competition is keen, with many suppliers extending credit up to 90 days after arrival of the goods in the country.

Internal Developments

The once flourishing tourist industry in Guatemala has all but come to a standstill. The decline in American tourists seems to indicate a preference for less expensive holiday resorts. Some branches of the retail trade have been hit almost as hard as the hotels. With business retrenching and cutting losses, unemployment has appeared for the first time. Unfortunately, this has coincided with further rises in the cost of living.

Since the enactment of the agrarian law last year, about 300 estates have seen their uncultivated land distributed among the farm workers.

These bananas, raised on a Guatemalan plantation, are being delivered at the shipping shed. Banana exports have declined in the past few years, but the damage done by hurricanes is slowly being repaired.

These lands become the property of the state and are rented to the Indian peasants. The former owners of the land receive payment in special reform bonds and evaluation is based on declared land values for taxation. The law was designed to redistribute land and break up the feudal system which was instituted by the Spanish conquerors four hundred years ago. The law is being applied at a steady pace. The government organization operating the German estates expropriated during the war has been liquidated and all the assets distributed among the Indian campesinos. Thousands of head of cattle have been sold to campesinos on ten-year credit terms.

Decline in Banana Shipments

Banana shipments in 1952 were even lower than in the previous year, when disastrous winds and work stoppages ruined two-thirds of the fruit company's crop. The volume of these shipments has declined from a peak of 13·5 million stems in 1947 to 3·2 million stems in 1952. The company's expenditures remain the same ($14 million a year), irrespective of the actual banana loadings at the port. Its operations in Guatemala have been seriously hindered in the last few years by a series of strikes on the plantations, the railroad and the docks at different times. Spoilage and total loss are certain unless bananas are speeded on the way to market by a smoothly functioning transport system. The plantations were carefully rehabilitated after the hurricane destruction of two years ago. Prospects for 1953 are encouraging; banana shipments have already passed last year's total.

Renewed extreme labour demands and strikes threaten the continued existence of the electric company and the railroad, both of which represent foreign investments of long standing. Domestic enterprises are also having their labour troubles. Both the municipality and the Ministry of Public Works have had to reinstate former employees on orders from the Government, which is very conscious of the new unemployment problem. Since the recent strike, the electric company employees have been ordered back to work at double pay. The government commission supervising and investigating the company's affairs hopes to squeeze out a rate reduction and a pay increase. The railroad workers have voted three to one to strike for the demands proposed by the union. The Government may have to operate this public service also because it cannot afford to have its principal artery of foreign trade stopped.

Government Programs

Following recommendations by the International Bank for Reconstruction and Development in 1951, the Government embarked on a five-year program of highway construction and economic development. The building of the Atlantic Highway to parallel the railroad from the capital to the Caribbean port area is well under way. The work is being carried out by the Ministry of Public Works and the army and the total cost is currently estimated at $20 million. Under a $5 million contract with an American firm, the port of Santo Tomas is to be built as a terminal for the Atlantic Highway. Both projects are scheduled for completion in two years' time. Generally speaking, Santo Tomas will be a twin to Puerto Barrios, which is operated by the fruit company and the railroad. An agrarian bank, formed to provide credit for the new landholders, is to have a capital of $10 million. Various highway extensions are under way and plans are being studied for hydro-electric developments.

The Government has decided to finance these projects as far as possible from current revenue and internal bond issue. Although an income tax law has been under study for several years, the chief sources of revenue are a tax on coffee exports and duties and surcharges on imports. The budget for the current year is now up to $75 million, the highest in history. To balance the budget, many new levies on imports have been introduced but new sources of revenue will have to be tapped in order to balance the budget. A long list of tariff increases went into effect early this year. Imports from certain countries that take very little of Guatemala's produce (e.g., Venezuela, Cuba, Japan, Spain) are now subject to a 100 per cent surcharge, doubling the amount of duty to be paid. Some of the tariff increases already imposed or under study are designed to protect local industries as well as to bring in revenue.

Outlook for Trade

Canadian sales to Guatemala are declining further in 1953. According to DBS statistics, Canadian exports to this country in the first six months of this year were valued at $824 thousand, compared with $1,091 thousand and $1,223 thousand in the corresponding periods of 1952 and 1951. This decline is chiefly due to increasing competition from Europe. European and American suppliers are covering these markets thoroughly and using local advertising and travelling representatives.

The immediate prospects are somewhat uncertain. Guatemala is a rich agricultural country with many other products to export in addition to coffee, the steady dollar earner. Imports will undoubtedly expand again with the growth and progress of the country. Keen competition from the dollar-short industrial nations of the world will continue and probably increase in coming years.

—GLEN A. COOPER
Assistant Canadian Government Trade Commissioner

Costa Rica

GUATEMALA CITY—Costa Rica is enjoying greater prosperity than ever before; 1952 brought record exports and imports and another favourable trade balance. The bumper coffee crop, sold early this year—exports were 40 per cent above last year—has already made 1953 outstanding in the country's history.

Retail prices are steady but wholesale prices have dropped considerably since last year. This is particularly true of the prices for imported textiles and other manufactured goods. Competition for this small but unrestricted dollar market is keen and Costa Rica is now reaping the full benefits of favourable terms of trade.

There have been many notable developments in the last year—new roads and schools were completed, work has started on the new national airport, plans are under way for electric plants which will eventually solve the electricity shortage. All these show the progress which Costa Rica is making. Exchange reserves are increasing, debt is being retired, and prosperity without inflation continues. This year's remarkable coffee crop has come like an extra reward for the efforts of the Costa Ricans. The 1952-53 crop will earn some $36 million U.S. dollars, compared with $25 million from last year's crop.

Agricultural Policy

The objective of self-sufficiency in basic food crops was achieved in 1952 and the newly-won balance in livestock and meat supply was maintained. This is a direct result of the Government's floor price and loan policies in recent years which were designed to encourage the production of corn, beans, rice, cotton and other products which Costa Rica formerly imported to supplement local supplies. The surpluses of sugar and corn were exported at a loss and tobacco production was cut down to domestic requirements. Coffee growers have needed little encouragement from the Government to improve their plantations—world coffee prices have been sufficient incentive.

The Government has not encouraged nor unduly protected uneconomic production of manufactured goods, wheat and flour, lard and vegetable oils. Costa Rica continues to import its needs in these lines. These policies have been an important factor in easing wholesale prices and preventing inflation.

Banana shipments to the United States and Canada are expected to increase substantially when the eastern coastal lands are re-opened to banana planting. Half the value of Costa Rica's exports was the true value of banana shipments in 1952, although the statistical or customs evaluation was much less. In previous years, bananas accounted for an even higher proportion of exports.

The banana company, subsidiary of an American fruit company, plans to spend millions to re-establish banana plantations in the Province of Limon. Panama disease ruined the plantations there some 15 years ago. The company has developed a system of flood fallowing to control the disease and its program will have a buoyant effect on the Costa Rican economy for many years.

Foreign Trade

Imports are expanding in response to foreign exchange earnings, and are free from the artificial restrictions of quotas and bilateral agreements common in many other countries. U.S. dollar exchange is available for imports of all kinds, at the free exchange rate of 6·63 colones to the dollar. The Central Bank grants exchange at the official rate of 5·60 colones for imports of certain articles of prime necessity, such as flour. A few minor export industries which need help are allowed to convert part or all of their dollar earnings on the free market. In 1952, the Bank was able to lower the free market rate from 6·98 to 6·63 colones, reflecting the improved foreign exchange position.

Costa Rica's Foreign Trade

(thousands of U.S. dollars)

	Exports	Imports	Trade Balance
1947	31,064	48,079	—17,015
1948	45,960	42,344	3,616
1949	48,191	43,352	4,839
1950	55,585	46,033	9,552
1951	63,414	55,740	7,674
1952	71,896	67,874	4,022

Trade with Canada

Machinery, appliances, textiles, flour, chemicals, petroleum products and various manufactures are Costa Rica's principal imports. The dominance of United States suppliers in the market (66 per cent in 1951) is slowly giving way to greater competition from Europe. Flour, newsprint and aluminum are the principal items bought from Canada, but sales of Canadian whole milk power, evaporated milk, codfish, leather and copper wire were also notable in 1952.

Canada supplied 4 per cent of Costa Rica's imports in 1952—a 20 per cent rise over 1951. This year Canadian sales have slipped back to 1951 levels of $1 million for the half-year. Many companies could probably increase their sales by giving this small but growing market more personal, on-the-spot attention. The prospects are encouraging.

—Glen A. Cooper

Assistant Canadian Government Trade Commissioner

El Salvador

- *Good coffee crop boosts exchange reserves.*
- *New hydro plant will serve small industries.*
- *Canadian sales not up to 1952 record.*

GUATEMALA CITY—Business and trade conditions in El Salvador have improved and stabilized since 1951. In that year merchants built up excessive inventories, fearing shortages and price increases as a result of the Korean War. Cash and credit were short and payments delayed. The credit rating of the country as a whole improved somewhat in 1952, and for the second half of the year was declared "fairly good" by the U.S. National Association of Credit Men.

Coffee shipments, the mainspring of El Salvador's trade and 90 per cent of her exports, fell off with the smaller crop of 1951-52, but the record yield of 1952-53 more than made up the loss. The prospects for the harvest which begins this month are not encouraging because of untimely rains. Because sales are heaviest from November to May, there is a sharp rise and fall in exchange reserves each year as the following figures of the Central Reserve Bank's gold and foreign exchange holdings show:

(millions of U.S. dollars)

June '51	Dec. '51	June '52	Dec. '52	June '53
\$59·0	\$37·6	\$48·3	\$41·5	\$57·1

Developing Small Industries

Recognizing the dangers of a one-crop economy, the Government's policy is to develop domestic industry, particularly textiles and clothing, and to increase cotton yields. The smallest and most densely populated country on the mainland of the Americas, El Salvador depends on its neighbours and overseas suppliers to make up its food deficit. The intensive development of cotton since the war has provided surpluses for export to Europe. Naturally El Salvador hopes eventually to sell some of its manufactured products in the other Central American countries.

A number of firms have brought in plant equipment duty-free under last year's law for the encouragement of national industries. This law, it is claimed, has promoted the investment of some \$10 million in new plants. Two shoe factories have been opened and when these reach full production they will be looking for neighbouring export markets. The price of cement has dropped below \$2.00 a bag since the opening of the new cement mill. With new cotton mills, the country may soon become self-sufficient in cotton textiles. Plans are now being studied for fish canning and milk dehydration.

The Government is raising a \$2·4 million loan to provide funds for houses for workmen and the middle class group. A number of government construction projects are due to get under way next year, including a modern hotel for the capital if private interests do not build one.

The Rio Lempa hydro-electric project is expected to be generating much-needed electricity for the country some time next year. Many small industries are waiting for this new power to mechanize and expand their operations. The plant will have an initial capacity of 30,000 kw.; another 15,000 kw. generator has already been ordered from Switzerland. The present generating capacity of the Canadian electric company, in small hydro and steam plants, aggregates 15,000 kw. Lempa power will be distributed through the company's system which is to be expanded. This should mean several million dollars in sales of Canadian transformers, meters, insulators and wire over the next few years.

The significance of the Rio Lempa project to the nation is like that of Ontario Hydro to Ontario. It is the largest power plant in Central America. The project was started in 1951 with a loan of $12 million from the International Bank for Reconstruction and Development. Two bond issues within the country have raised $7·2 million. Compare this investment with all other outstanding foreign debt at $8·5 million, and with the government budget of $56·6 million, and the importance of the undertaking is apparent.

Foreign Trade

El Salvador is keenly aware that it can never be self-sufficient, that its exports and its imports must grow and diversify if the standard of living is to be raised. The Government has taken the lead in establishing the Organization of the Central American States and treaties of free trade with Honduras, Guatemala and Nicaragua. El Salvador's recent most-favoured-nation trade agreements with Germany, Spain, France and Italy were designed to even up the trade with these countries, but specifically excluded them from the preferential free trade treatment given by El Salvador to the other Central American countries.

Foreign Trade of El Salvador

(millions of U.S. dollars)

	Exports	Imports	Imports from Canada
1949	55·0	39·5	1·0
1950	69·5	47·2	1·4
1951	85·5	63·8	2·0
1952	88·3	67·8	2·3

The United States looms large in El Salvador's foreign trade, taking 75 per cent of the exports and supplying 63 per cent of the imports in 1952. But European suppliers are increasing their share of the market; even with the 6 per cent increase in total imports in 1952, imports from the U.S. fell by 12 per cent. Canadian exporters did well in El Salvador in 1952 but in the first half of this year their sales dropped to 1951 levels.

Leading Canadian Exports to El Salvador in 1952*

(thousands of Canadian dollars)

Flour	664	Electric meters	88
Newsprint	297	Transformers and insulators, copper wire	76
Aluminum	194	Upper leather	55
Machinery	135	Asbestos	42
Malt	125		
Tires	120		

* D.B.S. figures.

The lack of a direct shipping connection with Eastern Canada has hindered trade. European lines have been increasing their direct services to the Pacific ports of Central America and Japanese ships are beginning to arrive. A Nicaraguan line has undertaken a service from New York and New Orleans to these ports with three small chartered ships. The expensive overland rail haul from Guatemala's Caribbean port can now be avoided, as well as the delays and inconvenience to the customer of trans-shipment in Panama. Further expansion of this service would benefit Canadian exporters.

El Salvador has signed a contract with an American firm for construction at the port of Acajutla which will greatly increase its facilities and help the country to develop its foreign trade. Better facilities at Acajutla may also reduce the traffic on the International Railroad of Central America between El Salvador and the Guatemalan port of Puerto Barrios on the Caribbean.

In spite of a reduced yield from coffee this coming year, the long-term prospects in El Salvador are promising. Canadian sales to this country, particularly of electrical goods, could rise too if our delivered prices meet the competition.

—Glen A. Cooper
Assistant Canadian Government Trade Commissioner

Mexico

- *Last twelve months have seen slight recession.*
- *Export prices have fallen and demand slackened.*
- *Outlook now is for continued economic expansion.*

MEXICO, D.F.—The last twelve months in Mexico have proved to be a period of consolidation and, in some cases, retrenchment in most phases of economic life. The business recession has stemmed from deliberate government action, from climatic conditions, from the lessening international demand for Mexico's raw materials, and from a decline in the tourist industry.

The administration of Ruiz Cortines has, since it took over in December 1952, imposed a deflationary policy. Government spending on public works has been kept to an absolute minimum, price controls on basic commodities have been rigidly enforced, import duties on luxury items have been raised, restrictions on bank credit have been extended, and government-backed securities pushed in an effort to attract idle public funds.

For the third successive year, the northern sections of Mexico have experienced a severe drought and even areas under irrigation have a shortage of water. The corn and bean crops this year are unusually small and the country's requirements will, in all probability, have to be

met by imports. Cotton, Mexico's principal agricultural export, will be about 170 thousand bales below last year's crop and 350 thousand bales below the record crop of 1951.

An outbreak of foot and mouth disease near Veracruz in May of this year has closed the U.S. border once more to 400 thousand head of Mexican cattle a year and it is difficult to foresee when this market will again be available to Mexican cattlemen. New markets will have to be found for frozen beef and canned meat and Europe seems to offer the best sales prospects.

Export Prices Fall

Copper, lead and zinc contribute about one-quarter of the total value of Mexico's exports. For the first five months of 1953, copper production increased by about ten per cent over the same period of 1952, and the export value was about 20 per cent higher. Lead production increased about 8 per cent and zinc production fell about 22 per cent. The export values of zinc and lead, however, fell 49 per cent below the 1952 rate.

Lower export prices and a fall in demand are also apparent in cotton, vegetable fibres and textiles. With cotton accounting for one-fifth and copper, lead and zinc for one-quarter of Mexico's total exports, any fluctuation in world demand or prices for these products seriously affects Mexico's exports.

Tourist Industry Depressed

Tourist entries into Mexico fell from 208,181 for the first six months of 1952 to 190,218 for the same period in 1953. Diversion of tourists to the Coronation and adverse publicity abroad about overcharging in tourist centres are the reasons given for the decrease. Tourists' purse strings have also tightened and the revenue from this industry is probably down more than the figures might indicate.

Retail and Wholesale Trade

Retail and wholesale trade for the first half of this year continued to lag behind last year's level. With declining wholesale and retail prices, merchants have not ordered and manufacturers' sales have been poor, with heavy inventories. Sluggish collections and tight credit control have slowed up turnover at both the retail and wholesale levels.

Foreign Trade Down

Merchandise imports into Mexico dropped from 3,352 million pesos in the first half of 1952 to 2,903 million pesos in the first six months of 1953. Similarly, exports have fallen from 2,462 million pesos to 2,319 million. The unfavourable trade balance, however, has decreased from 890 million pesos for the first six months of 1952 to 584 million pesos for the same period this year.

Mexico normally runs a deficit trade balance which is usually compensated for by tourist income, remittances from Mexican farm workers in the United States, capital investment from abroad, gold sales, and drawings on foreign loans. For the first four months of this year it is estimated that, on current account transactions, Mexico improved its holdings of gold and foreign exchange by 125 million pesos.

The United States continues to be Mexico's principal market, buying about 93 per cent of foreign shipments. It is also the most important supplier, the source of about 82 per cent of the country's total imports. Canada normally supplies about 2½ per cent and purchases about the same percentage of Mexico's total exports.

Canadian-Mexican Trade Drops

Reflecting the lower level of Mexican foreign trade during the first half of this year, Canadian-Mexican trade too shows a substantial decrease. Exports to Mexico for the first six months of 1953 totalled $12·5 million, down substantially from the $20·6 million for the same period of last year. Canadian products with decreased sales in Mexico so far this year include rubber belting, cotton fabrics, sulphate and sulphite pulp, newsprint, ferro-silicon, agricultural machinery and implements, automobiles and parts, copper tubing and copper wire, transformers and electric meters.

A few products, however, have registered substantial gains over last year. These include whisky, rubber hose, furs, skim milk powder, steel bars, aluminum, drugs and chemicals, fresh eggs.

Similarly imports into Canada from Mexico for the first five months of 1953 totalled $9·2 million, down from $12·1 million for the same period in 1952. Commodities that have registered the sharpest declines are fresh tomatoes, raw cotton, sisal and tampico fibres, crude petroleum, copper in verdigris. Peanuts, canned pineapple, coffee, fluorspar, fresh vegetables and oranges have shown substantial gains.

Business Outlook Encouraging

Business in Mexico has experienced rough going the last eight or ten months but the outlook for the future is more encouraging. The recession has been fostered to a large extent by the cautious economic policy of the present administration and the signs indicate that Mexico is preparing once more to continue its economic expansion and its drive to raise the standard of living. Provided climatic conditions improve during the next few months, there is no doubt that the Mexican economy will move in this direction.

Financial Position Strong

Gold and dollar holdings have improved steadily so far this year and at the end of May stood at $277 million, up $8 million in five months. The improvement came principally from a wider application of import controls, increased duties on luxury items, and the restriction placed on the obtaining of credits abroad by private banks, to prevent the accumulation of drafts collectible in foreign currency.

In June the Peso Stabilization Agreement with the United States was renewed, under which the United States Stabilization Fund undertook to buy up to $75 million worth of pesos should the need arise. The extension of this agreement for 2½ years, stabilizing the rate at 8·65 pesos to the United States dollar, should encourage the investment of foreign capital in the country.

Agricultural production in Mexico has not kept pace with the rapid growth of industry and the Administration hopes now to make Mexico self-sufficient in food products and to raise the standard of living of the agricultural population to provide a larger consuming public for industrial products.

For this purpose, the Federal Government will invest a record 1,800 million pesos in agriculture, with particular emphasis on increased production of wheat, corn, sugar and beans. Private banks will also participate.

Funds for Public Works

Funds to complete productive public works now at various stages are available but work on non-productive public works is at a standstill. Plans are under way for additional projects such as irrigation, roads and public housing and already considerable sums have been allocated.

Other projects mentioned include extensive harbour improvements and installations, the creation of a merchant marine, and increased production and distribution of electrical energy. Pemex, the government oil monopoly, is intensifying its oil exploration, adding new refinery facilities, integrating its oil and gas pipe networks and adding new oil tankers to its fleet. The National Railways of Mexico is adding new mileage, rehabilitating its existing track, and purchasing new rolling stock. Several hundred buses and trackless trolleys will be needed in the Federal District of Mexico during the next year.

To encourage exports, the export tax on more than 500 items has been reduced or rescinded. The mining industry, which was handicapped by heavy taxation, has seen some measure of taxation relief given to the smaller mines, which account for about 20 per cent of Mexico's mineral production. Now a relaxation of taxation throughout the whole industry is being considered.

The unions have co-operated with the Administration during its period of readjustment and strikes have been few and usually settled promptly through government intervention. Some unemployment has occurred in the northern states, principally because of the drought in those areas. Wages have moved upward and with a decrease in the cost of living, living conditions for labour have become somewhat better.

Attractive but Competitive Market

Mexico imports approximately $800 million worth of goods each year, and with no foreign exchange control and an excellent credit rating, deserves the closest attention from the Canadian exporter. The market in Mexico for consumer goods is practically non-existent, but for raw materials, semi-fabricated products, machinery, capital equipment and chemicals, the demand is good. Competition from the United States, Britain, Europe and Japan is keen, and liberal terms of payment are often the deciding factor. Within the above limits, Mexico should prove to be a fertile and active market for Canadian firms which will take the time and effort to study requirements. Mexican-Canadian relationships continue very good and, all things being equal, Mexican business welcomes the opportunity to trade with Canada, either as an importer or an exporter.

—S. G. Tregaskes
Assistant Commercial Secretary for Canada

Peru

- *Progress continued in first half of this year.*
- *Production, imports and investment remain high.*
- *Petroleum industry is exploiting large new areas.*

LIMA—In the first six months of 1953, Peru's economy continued the notable progress made in 1952 although there was a levelling-off in many fields. In spite of the drop in the prices of mineral and agricultural exports, production increased, new businesses were established, and many industries were operating close to 1952 levels. Despite government warnings and appeals for moderation, imports continued to rise and the balance of payments was slightly more unfavourable. The market is free but highly competitive, with most business done on terms.

Exchange rates, which have varied little since they were allowed to find their own level in 1951, have reacted unfavourably to this lack of balance. To counteract this tendency the Government restricted credit by requiring banks to double their legal cash holdings for term and sight deposits. Nevertheless, demands for credit still exceed the banks' facilities. Consumer credit was also restricted by limiting payments on instalment sales to 12 months. This, in turn, should tend to reduce imports of consumer goods, particularly since present stocks are considered excessive.

Foreign investment in both cash and capital equipment in the mining and petroleum fields is still high. The first test wells are now being sunk in the Sechura Desert area and the results are awaited with great interest. If favourable, they will probably set off an even greater wave of investment and activity. Foreign companies have filed for large new petroleum concessions in eastern Peru and in the southern coastal area.

Agriculture Reports

The cotton acreage is above average but the crop has suffered from disease and damage. The yield is estimated at about 100 thousand tons and prices have remained firm. Sugar exports for the first six months of 1953 were 148,283 metric tons, a considerable increase over the 113,975 metric tons exported in the same period in 1952. However, this increase in volume was nullified by a decrease in price. The rice crop is good and there should be a sizable surplus for export. This will be sold through tenders called by the Government.

The government irrigation projects are going ahead and by the end of the year some 20,000 hectares of new land should be under cultivation. Negotiations are under way with an American firm to construct a much-needed highway into the interior in return for a tract of the land which the road will open for colonization. If the project goes through, it may provide a new and inexpensive way to open up more of Peru's unexploited and rich hinterland.

With the sharp drop in the world prices for lead and zinc, production of these metals became less profitable. This, coupled with the Simpson proposal in the United States Congress to increase the U.S. tariff on these commodities, caused some concern. Recently, however, prices have firmed and the Simpson proposal was rejected by the U.S. Congress. Mining at the government-owned Marcona iron ore deposits has started on a large scale and by 1954 should reach 200 thousand tons a month.

Oil Exploitation Continues

Petroleum production for the first three months of 1953 was 3,910,490 barrels. The petroleum industry is of prime interest in the country. Foreign oil companies are filing on even more potential oil acreage in the Amazon jungle area where, last fall, only a few companies filed for small concessions; now large areas have been blanketed. Sizable concessions have also been taken in the southern coastal region near Ica. The International Petroleum Company, which produces more than three-quarters of Peru's petroleum, is reported to be enlarging its refinery at Talara.

Foreign Trade

Final statistics show that in 1952 Peru imports were valued at 4,473 million soles ($270 million), and exports were valued at 3,686 million soles ($230 million). Canada ranked third among the supplying countries with soles 298 million ($18 million). The United States was first with soles 2,511 million ($156 million), and the United Kingdom second with soles 407 million ($25 million). Canada's imports from Peru amounted to $8 million. (D.B.S. figures).

Trade with Canada

In the first three months of 1953, imports into Peru exceeded exports by $29 million, compared with a $15 million deficit in 1952. In the first six months of 1953 Canada supplied products to a value of $9 million, an increase from $8 million in 1952, and imported from Peru in the first five months of 1953, $688,000 (in 1952, $2,780,000). Canada's principal exports to Peru were wheat, automobiles and trucks, malt and machinery; leading imports from Peru were metal ores, canned fish and raw cotton.

The activity of foreign exporters anxious to sell in this free dollar market, coupled with the already high inventories and the shortage of consumer purchasing power, make the Peruvian market a most competitive one. Very little business is now done on a letter of credit basis; sight draft, 30 and 60-day terms are common, with up to two years on capital goods. When terms are granted, the financial status and integrity of the customers must be carefully checked in advance.

The 1953 Government budget provided, through special accounts, a means of reducing expenditures if revenues were not up to estimates. Already there has been a cut-back in public works expenditure, principally because of a reduction in the income from export tax.

The National Association of Industries reports that 500 new industrial firms were formed in 1952 with a capital investment of about 250 million soles, bringing the number of plants in the country to over 4,000. The Government has passed several protective tariff increases to foster or assist the national industry, but as yet Peru produces only a very small proportion of the manufactured goods it needs.

The cost-of-living index continued to rise gradually, principally because controlled selling prices on meat and milk were abolished. As a result, the scarcity of these commodities has been alleviated. There have been no serious labour troubles because wage increases have compensated for increased living costs.

—HARRY J. HORNE
Commercial Secretary for Canada

Bolivia • • •

LIMA—The Bolivian economy, which is based principally on the production and sale of tin, has been adversely affected by the sharp decline in tin prices. In October 1952 the mines owned by the Patiño, Hochschild and Aramayo interests were nationalized. The transition to public ownership was effected with a minimum of confusion, with compensation paid to the former owners on a sliding scale tied to the price of tin. Comparative figures are not available but observers estimate that production of the nationalized mines has dropped from 5 to 20 per cent. The following table gives the production for the first six months of 1953 of the nationalized mines now operated by the Corporación Minera de Bolivia, and the exports from the small and medium-sized mines for the same period.

MINERAL PRODUCTION JANUARY-JUNE, 1953*

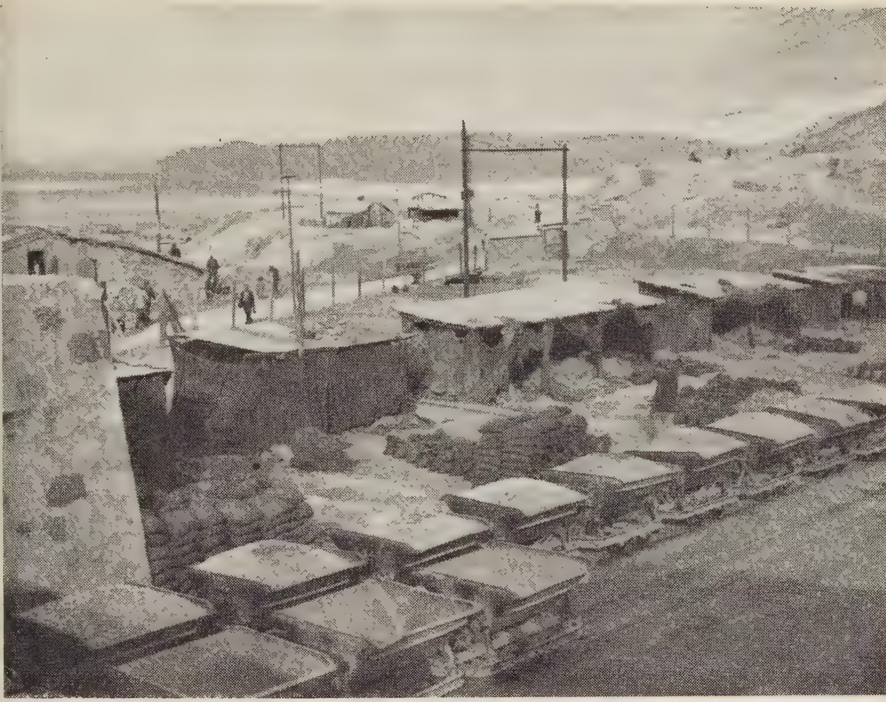
	Exports of the small and medium sized mines	Production of the nationalized mines	Total
Tin	2,437,252	13,181,975	15,519,227
Zinc	403,430	10,699,354	11,102,784
Wolfram	643,377	510,928	1,154,305
Silver	8,232	79,132	87,364
Lead	7,901,468	4,835,746	12,737,214
Copper	166,612	1,819,555	1,986,167
Bismuth	....	30,150	30,150
Gold (grams fine)	1,982	7,233	9,215
Estañita (Stonite)	....	150,513	150,513
Antimony	2,893,996	....	2,893,996
Asbestos	166,044	....	166,044
Sulphur	756,200	....	756,200

* Figures from unofficial sources, in kilograms fine.

Since nationalization, the world price of tin has fallen from over $1.20 to less than 80 cents per pound. It is estimated that from $500 thousand to $700 thousand in foreign exchange is lost for every cent the price of tin falls. Because Bolivia normally must spend about $50 million a year on the import of foodstuffs alone, the seriousness of the present position is apparent, particularly as foreign exchange reserves are nearly depleted.

In August the Government issued an Agrarian Land Reform Bill which in essence will give land workers title to the land they till for their own use. In addition. large areas of privately owned but unworked land will also be divided up.

Purchasing is centered in the Corporación Minera for the nationalized mines, the Ministry of National Economy for essential bulk foodstuffs, the



—UN Photo

Ore from the San Jose tin mines, waiting to be bagged and shipped. Bolivia's economy depends heavily on tin, but production appears to have dropped since the mines were nationalized in October 1952.

Banco Minero for the smaller mines and the Banco Central for other importers. Import licences are granted after considering the availability of exchange, essentiality of the product, quality, price, and terms of payment.

Articles of prime necessity to keep the mines and essential services operating and foodstuffs are the only goods for which import licences and exchange are being granted. Many factories dependent on outside sources for raw materials are closed down or working part-time. Only an increase in tin prices, foreign loans or gifts, or the inflow on a large scale of foreign investment capital will improve the situation.

In the first three months of 1953, Canada sold goods—practically entirely wheat—worth $1,794,217 to Bolivia (same period 1952—$1,816,-285). Bolivian exports to Canada were valued at only $289,738 (1952—$1,315,883) and consisted chiefly of ores of metals. Estimates are that Bolivia will require the following foodstuffs: 40,000 tons of sugar; 95,000 tons of wheat; 2,000 tons of lard; 1,300 tons of cooking oil; 11,000 tons of rice and 1,270 tons of powdered milk.

Canadian exporters, particularly those interested in exporting the above goods, should have active agents appointed and keep in close touch with them. Many tenders are being called and offers requested on short notice for these bulk supplies which the Republic needs.

—Harry J. Horne
Commercial Secretary for Canada

Venezuela

- *Oil output curtailed slightly in early '53.*
- *Many foreign firms setting up branch plants.*
- *Foreign trade achieved a new record in 1952.*

CARACAS—The Venezuelan Government completed the fiscal year ended June 30th, 1953, with a $26 million surplus despite a record budget of $690 million. The official estimate of income and expenditure for 1953-54 has been set at $708·6 million, an increase of 2·6 per cent over last year. Revenue from the petroleum industry accounts for more than 60 per cent of national income, and with the demand in world markets for Venezuelan oil remaining strong, the Government expects to forge ahead with its development program aimed at a more diversified economy.

Oil Production Declines

Following the crude oil production peak of 1,803,000 barrels a day for 1952, there was a slight decline in the early months of 1953. This decline was caused by the voluntary curtailment of output by local companies, resulting from the threat of restrictions on petroleum imports into the United States. This cloud on the economic horizon of Venezuela now appears to have passed for the present year at least and it is probable that the 1953 daily average will be close to 1,750,000 barrels. This production is sufficiently high to ensure a good income and to provide ample foreign exchange to pay for the country's imports.

Industrial Development

Government assistance to national industries through higher tariffs and import quotas is having the desired effect on expanding Venezuelan industrial production. Outstanding progress in the manufacture of cement was made during the past year and production by the end of 1953 is expected to reach 925 thousand tons—equalling present demand. Other industries registering satisfactory increases were rayon textiles, tires and tubes, matches, beer, soft drinks, detergents, biscuits, hosiery, powdered milk, and the assembly of automobiles.

The Government's policy of protecting national industries has meant that a growing number of foreign firms who have had substantial export trade with Venezuela in the past are establishing branch plants there. A large United States manufacturer of tin cans began operations at a new plant in August. Initial production at another animal feed plant and at Venezuela's second tire and tube factory is expected within two months. In addition, other U.S. firms have signified their intention of establishing factories to produce paint, batteries, plastic articles, razor blades, paper products and pharmaceuticals. An important British firm has also announced it will shortly open a paint factory in the Caracas area.

There is much interest in the proposal for a national steel industry. Many Venezuelans dislike the prospect of their country's iron ore resources being exported and returning as costly imports after being processed abroad. Detailed studies are under way to solve the problem of the economical local reduction of iron ore. A group of Venezuela's leading businessmen have formed an organization for this purpose and have received the promise of technical aid from a large United States steel company. Venezuelans feel that a steel industry would be a major step towards industrialization and would reduce their dependence on foreign suppliers. Financial, technical and material assistance have already been offered by German-Swiss steel interests.

A characteristic of the trend to establish branch plants in Venezuela has been the association of foreign and local firms on an equal basis, and the Venezuelan firm usually chosen has been the foreign company's distributor for many years. In other cases, the manufacturer supplies only patent rights and technical assistance in exchange for a royalty on production. Venezuelan businessmen are becoming increasingly interested in new industrial investments; formerly they favoured only real estate speculation or established business.

Agriculture and Fisheries

Venezuelan agriculture made good progress during the past year, particularly in coffee, corn, rice, and sugar production. The Government continues to support strongly this branch of the national economy and plans further aid to increase the rice, corn and sugar crops. Credits will

—Venezuelan Ministry of Education

Venezuelan fishermen at Margarita Island haul in their nets. Commercial catch for 1952 totalled about 50,000 metric tons, the same as in 1951.

be granted to producers to buy the necessary machinery and materials. Self-sufficiency in basic foodstuffs is still several years away, however, and food purchases continue to form about 16 per cent of total Venezuelan imports, with flour, oats, malted barley, potatoes, fruits, eggs, and powdered milk bulking large.

The 1952 commercial catch of the Venezuelan fishing industry, totalling 50,564 metric tons, was approximately the same as in 1951. The low import duties on canned sardines and salmon were raised to 28 cents per gross pound through the United States-Venezuelan Trade Agreement of August 1952. This action has reduced Venezuelan imports of canned sardines to one-third of their former level, thus aiding the national sardine industry. Imports of canned salmon, however, amounting to 174 thousand kg. in 1952, continued at the same rate as in previous years. Codfish imports, which also pay a 28 cents per pound duty, increased from 460,708 kg. in 1951 to 480,277 kg. in 1952.

Mineral Production

Apart from oil, increased iron ore production was the oustanding mining development during the past year. The single producer, a subsidiary of the Bethlehem Steel Company of the United States, shipped two million tons of ore to the parent plant in 1952 and expects to reach 2·5 million tons by the end of 1953. The U.S. Steel Company subsidiary in Venezuela recently announced that initial exports to the United States from its iron ore deposits in the State of Bolivar will begin early in 1954.

Gold production is still very low (149 kg. in 1952 compared with one million kg. in 1950) but Venezuela's principal gold mines, inactive since their expropriation by the Government in 1951, have now been reconditioned and were recently re-opened. Gold output by the end of the current year will therefore probably increase substantially over 1952. Diamond production in 1952 amounted to 98,280 carats compared with 63,747 in 1951.

Transportation Developments

The super highway from Caracas to the sea and to airports on the coast, under construction for the past three years, is expected to be ready for use in early 1954. This highway is only 14 miles long but is being built through mountainous terrain and has included the construction of two long tunnels and three large viaducts. On completion, merchandise arriving at the port of La Guaira will be able to reach the country's principal market much more easily than was possible using the old mountain route.

In the absence of an adequate national railway system, highway construction throughout the year continued to receive priority treatment from the Government. Over 300 miles of new highways were added during the past twelve months, 200 miles of which were paved.

The Government has also been strengthening its air transportation services and airport facilities. Two British Comet jet planes and two U.S. Super Constellations have been purchased by the national airline, Linea Aeropostal Venezolana, to service the additional international flights recently inaugurated by this company.

After many conferences aimed at keeping the three countries together in the Greater Colombian Merchant Fleet, Venezuela decided in August 1953 to withdraw, leaving Colombia and Ecuador to continue operation of this line. The desire of Colombia for high freight rates on imported goods conflicted with Venezuela's interest in low rates and this was the basic cause of the separation. Venezuela intends to add the ships received from the Fleet to those of the Venezuelan Navigation Company and service will be expanded under the latter's name.

Telephones Nationalized

The nationalization of telephones was announced in August. The British company which had been operating the system in Venezuela for nearly 25 years decided to sell its stock to the Government after the Venezuelan authorities granted a contract for the provision of 60,000 new telephone lines to a German firm. The $38 million contract with the German company calls for installation of the new lines to be completed in not less than three years.

Foreign Trade at Record Level

The year 1952 was a record one for Venezuelan foreign trade. Exports of $1·4 billion were $97·5 million higher than in 1951 and imports, at $720 million, were only $117 million less than in 1948, the peak year for imports. The United States in 1952 supplied 68·4 per cent of Venezuela's foreign purchases followed by the United Kingdom with 7·5 per cent, Canada 4·6 per cent and Germany 3·3 per cent. Canada's share was valued at $35·7 million, an increase of $8·7 million over 1951.

German competition increased strongly in 1953, and for the first five months Germany had a slight edge on Canada, with 4·5 per cent of Venezuela's imports, compared with 4·1 per cent for Canada. The United States was maintaining its position as leading supplier with 67 per cent and the United Kingdom was in second place with 7·8 per cent.

Outlook

Although production and exports of petroleum—the main sources of strength in the Venezuelan economy—are this year running slightly below last year, the indications are that 1953 will prove to have been one of general prosperity for Venezuela. Government expenditures continue high and the machinery and raw material requirements for new industries will help to offset the smaller volume of foreign purchases for certain finished goods. The total amount of imports in 1953 will probably be approximately the same as in 1952. Venezuela should continue to prove an attractive dollar market for Canadian exporters prepared to meet and overcome the prevailing strong competition.

—J. A. Stiles
Commercial Secretary for Canada

For Information on . . .	Write to
LATIN AMERICA	*A. Savard, Area Trade Officer for Latin America, Department of Trade and Commerce, Ottawa.*
ARGENTINA	*C. S. Bissett, Commercial Counsellor, Canadian Embassy, Bartolome Mitre 478, Buenos Aires.*
BOLIVIA	*(See Peru)*
BRAZIL	*C. R. Gallow, Commercial Secretary, Canadian Embassy, Caixa Postal 2164, Rio de Janeiro.* *C. J. Van Tighem, Consul of Canada and Trade Commissioner, Canadian Consulate, Caixa Postal 6034, São Paulo.*
CHILE	*M. R. M. Dale, Commercial Secretary, Canadian Embassy, Casilla 771, Santiago.*
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COSTA RICA	*(See Guatemala)*
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DOMINICAN REPUBLIC	*R. E. Gravel, Canadian Government Trade Commissioner, Apartado 451, Ciudad Trujillo.*
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EL SALVADOR	*(See Guatemala)*
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PUERTO RICO	*(See Dominican Republic)*
URUGUAY	*(See Argentina)*
VENEZUELA	*J. A. Stiles, Commercial Secretary, Canadian Embassy, Apartado 3306, Caracas.*

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, is beginning a tour of Canada in Vancouver and Victoria, September 30-October 5. His itinerary is:

Edmonton—October 6-7
Winnipeg—October 9
Sarnia—October 13
Windsor: Walkerville—October 14
Toronto—October 15-20
Montreal—October 21-26
Ottawa—October 27-November 4
St. John's (Nfld.)—November 7

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. He will visit Toronto, October 19-24.

R. P. Bower, Commercial Counsellor for Canada in London, will begin a Canadian tour in Vancouver, October 5-9. His itinerary is:

Vancouver—October 5-9
Edmonton—October 13-14
Calgary—October 15
Regina—October 16
Winnipeg—October 19-20
Niagara Falls—October 22-23
Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. He will visit Montreal, September 30-October 10.

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Calgary—October 1
Edmonton—October 2
Vancouver—October 6-19
Victoria—October 20

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, began a tour of Canada in Montreal, September 8-15. His itinerary is:

Brantford—September 29
London—September 30
Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 9
Ottawa—October 13-16

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Vancouver—October 5-10
Winnipeg—October 13-14
Ottawa—October 16-17

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, began a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Hamilton—October 1
St. Catharines: Welland—October 2
Windsor: Walkerville—October 5
Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, begins a tour of Canada in Quebec City on October 5. His itinerary is:

Quebec City—October 5
Moncton—October 8
New Glasgow: Trenton—October 9
Halifax—October 14
Saint John—October 16
Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Windsor: Walkerville—November 5
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Halifax, Montreal, New Glasgow, Saint John.

Chamber of Commerce—Arvida, Brockville, Calgary, Hamilton, Kingston, Kitchener, London, Niagara Falls, Peterborough, Preston, Quebec, Regina, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Moncton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Trade and Tariff Regulations

COLOMBIA

Additional Goods Removed from the List of Prohibited Imports—In keeping with its previously stated intention of reducing the list of prohibited imports (introduced on March 20, 1951) as foreign exchange reserves improved, the Colombian Government recently announced that certain types of merchandise may now be imported as follows:

With Dollars Purchased at Official Rate of Exchange

Aluminum pressure cookers and milk pails.

With Dollars Purchased on the Free Market (which are currently about 30 per cent above the official rate)

Edible mushrooms

Sugary foodstuffs other than molasses or confectionery, n.o.p.

Stuffed olives in barrels

Non-tropical concentrated fruit juices packed in sizes not designed for the retail trade

Sauces and similar relishes but not concentrated or powder relishes

Cigars

Billiard tables

Calendars

Parts and materials for artificial flowers

Illuminating glassware and their parts or accessories other than chimneys, reflectors, globes, etc.

Cut synthetic stones without settings

Fancy decorative articles of ordinary metals for home or office

Lamps, hanging lamps, lanterns and chandeliers of iron or steel

Other lighting fixtures of ordinary metal other than lamps

Inland boats with engines or propulsive machinery weighing less than 200 kilograms

Sailboats

Non-mechanical toys of an educational nature

Parlour games and equipment, except billiard and table tennis balls

Smoking pipes and pipe bowls

Cigar and cigarette holders, mouthpieces, tubes and other loose parts for smoking pipes and holders

Articles and accessories for Christmas trees.

(NOTE—The importer must make a 10 per cent deposit when applying for import permits for these goods.)

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01587.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Sept. 17*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1312	
		Basic buying	·1969	
		Preferential selling	·1969	(1)
		Basic selling	·1312	
		Free	·07086	
Austria	Schilling		·03786	
Australia	Pound		2·2050	
BelgiumLuxembourg & Belgian Dependencies	Franc		·01975	
Bolivia	Boliviano	Official	·00518	
British West Indies	Dollar		·5742	(3)
	Pound		2·7562	(4)
	Dollar	Brit. Honduras	·6890	
Brazil	Cruzeiro	Official	·05321	tax 8%
		Free	·02504	(2)
Burma	Kyat		·2067	
Ceylon	Rupee		·2067	
Chile	Peso		·00895	
Colombia	Peso	Basic	·3937	
Costa Rica	Colon	Official	·1753	(5)
		Free	·1482	*
Cuba	Peso		·9844	tax 2%
Czechoslovakia	Koruna		·1367	
Denmark	Krone		·1425	
Dominican Republic	Peso		·9844	
Ecuador	Sucre	Official	·06563	(6)
		Free	·05690	
Egypt	Pound		2·8267	
Fiji	Pound		2·4831	
Finland	Markka		·00428	
France	Franc		·00281	
French Africa	Franc		·00563	
French Pacific	Franc		·01548	
Germany	D Mark		·2344	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9844	
Haiti	Gourde		·1969	
Honduras	Lempira		·4922	
Hong Kong	Dollar	Free	·1658	*Sept. 4
Iceland	Krona	Official	·06044	
		Special buying	·04654	
		Special selling	·03750	
India	Rupee		·2067	
Indonesia	Rupiah	Basic	·08635	(7)
		Dollar certificate	·00186	*

* Latest available quotation date.

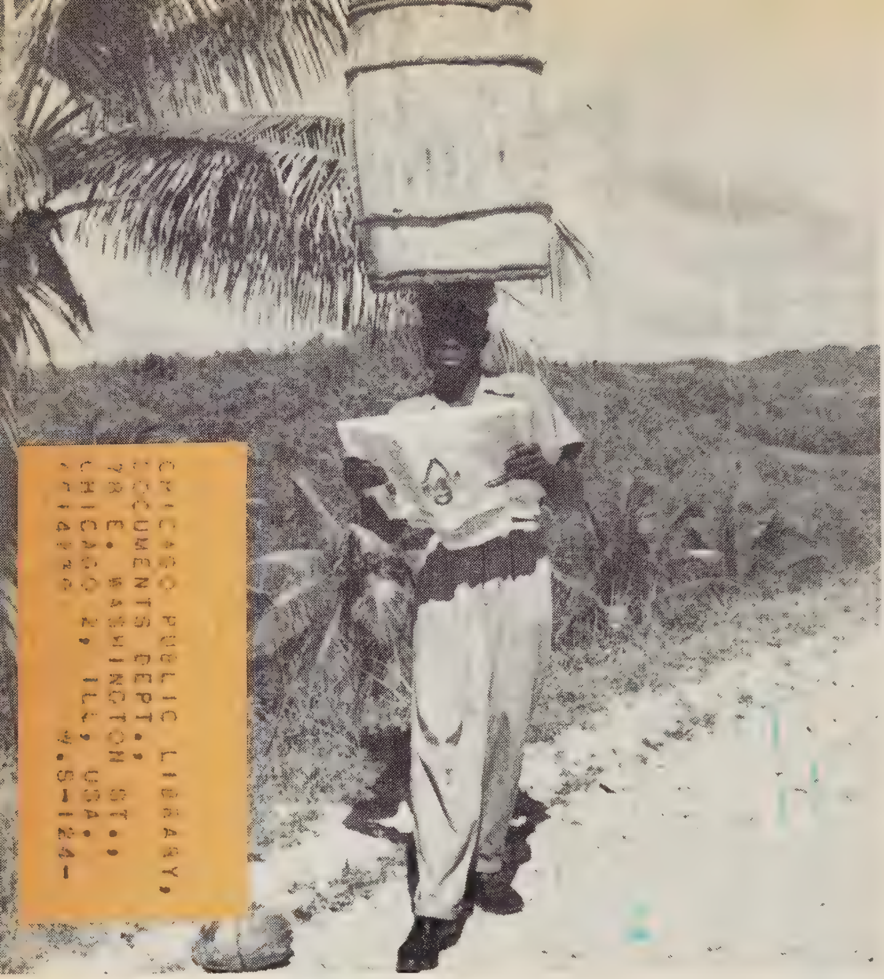
Country	Unit	Type of Exchange	Canadian dollar equiv. Sept. 17	Notes (See below)
Iran	Rial	Certificate I	·03052	*
		Certificate II	·00982	*
Iraq	Dinar		2·7562	
Ireland	Pound		2·7562	
Israel	Pound	Basic	2·7562	
		Special	1·3781	(8)
		Investment	·9844	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·3020	
Mexico	Peso		·1138	
Netherlands	Guilder		·2590	
Netherlands Antilles	Guilder		·5220	
New Zealand	Pound		2·7562	
Nicaragua	Cordoba	Effective buying	·1491	(9)
		Official selling	·1396	
		With Surcharge I	·1222	
		With Surcharge II	·09794	
Norway	Krone		·1378	
Pakistan	Rupee		·2975	
Panama	Balboa		·9844	
Paraguay	Guarani	Basic	·06563	(1)
		With Surcharge I	·04687	(10)
		With Surcharge II	·03281	
Peru	Sol	Certificate	·05670	
Philippines	Peso		·4922	tax 17% (2)
Portugal	Escudo		·03435	
El Salvador	Colon		·3937	
Singapore & Malaya	Straits dollar		·3216	
South Africa (Union of)	Pound		2·7562	
Spain & Dependencies	Peseta	Basic buying	·04495	
		Basic selling	·08773	
		Basic commercial selling	·05993	(1)
		Free	·02498	
Sweden	Krona		·1903	
Switzerland	Franc		·2297	
Syria	Pound	Free	·2764	*Aug. 14
Thailand	Baht	Official	·07875	(1)
		Free	·05551	*July 31
Turkey	Lira		·3516	
United Kingdom	Pound		2·7562	
United States	Dollar		·9844	
Uruguay	Peso	Official	·6480	
		Basic buying	·5530	
		Special buying	·4188	(1)
		Basic selling	·5181	
		Special selling	·4017	
Venezuela	Bolivar		·2938	(11)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Israel: An additional effective rate of 1.80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
9. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
10. Paraguay: Basic rate applies to most Paraguayan exports.
11. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.



The pressure of business . . .

. . . keeps increasing. Caught up in the competitive whirl, we seem to have too many jobs and too little time. One of the things that suffers is our reading. Most of us have to put it aside, to be taken up again when we can spare a moment between more pressing duties.

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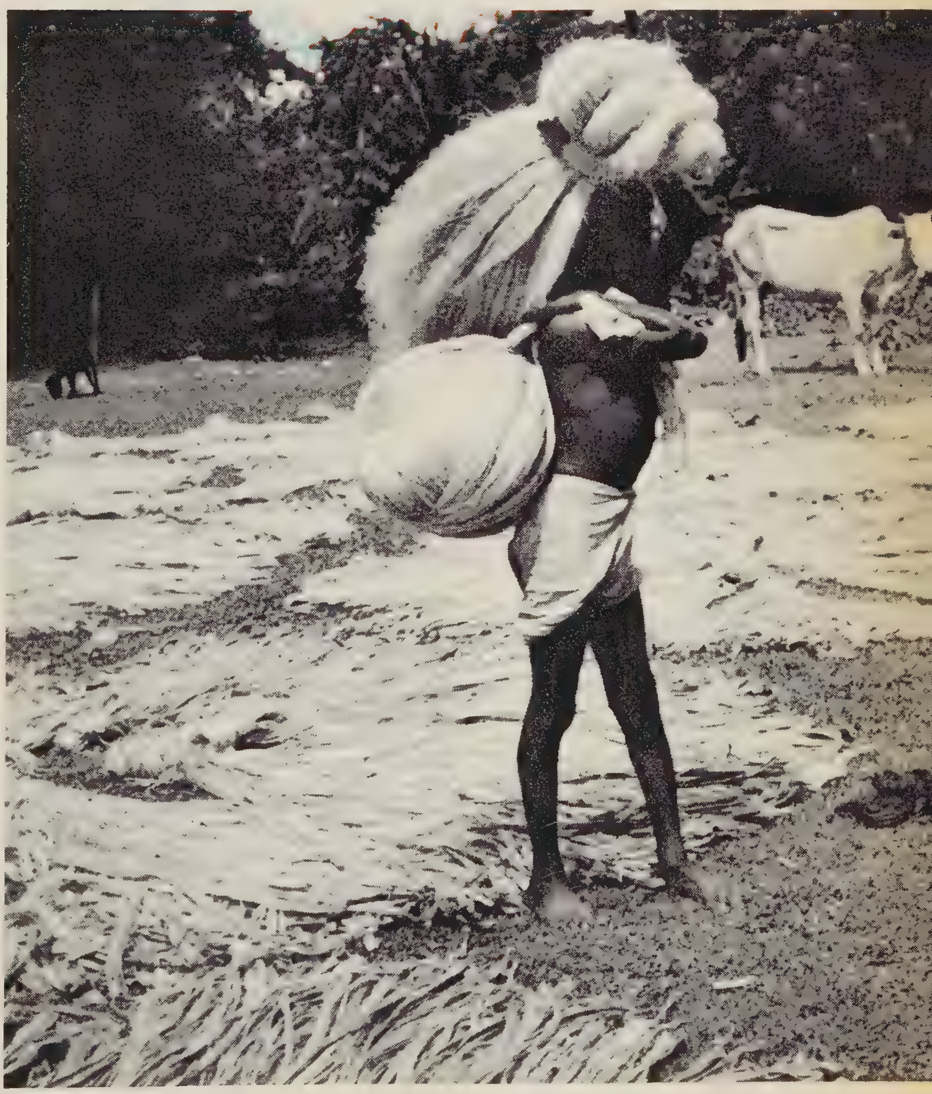
foreign trade

OCTOBER 3, 1953



Pakistan and Its Trade Problems (page 2)

foreign trade

VOL. 14 OTTAWA, OCTOBER 3, 1953 NO. 353

VER . . . This Pakistani er is gathering up jute which has been dried in sun. Brisk sales of jute been an important factor e improved economic out- in Pakistan, though prices oth cotton and jute remain For the full story on tan's economic problems, to page two.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Pakistan and Its Trade Problems

The serious wheat shortage has affected the entire economy. But, with this problem nearing solution, trade is improving and the outlook appears to be brightening.

KARACHI—The first six months of 1953 were difficult ones for Pakistan both politically and economically—but better things are in sight. The change of government which took place in March was welcomed; Pakistanis seem to have confidence in the new Government and look forward to a brighter future. General improvement in the economy was marked by brisk sales—though at low prices—of cotton and jute. Thanks to increased earnings from these key commodities and severe import restrictions, the balance of payments is now improving.

The outstanding event of the period was the grant of one million tons of wheat to Pakistan by the United States. This act of generosity in a time of critical need served more than any other factor to bring Pakistan through the crisis.

Wheat Shortage Acute

The Pakistan wheat crop harvested in the spring of 1952 was short and the country had to import over 800 thousand tons to make up the deficit. The discovery that the 1953 crop would be approximately 1,250,000 tons short therefore constituted a severe setback. With the heavy drain on foreign exchange for wheat in 1952, there was little reserve for importing the large quantities urgently required to avert famine. Pakistan appealed to Canada, Australia and the United States for assistance. Canada responded in February and again in May with outright gifts totalling over 110 thousand tons and Australia with a gift of 47,000 tons. In June the United States agreed to give 700 thousand tons, to be shipped towards the end of that month. A further 300 thousand tons will go forward later from the U.S. if, after a review of Pakistan's wheat position in early 1954, it is still needed. Meantime Pakistan expects to obtain the remainder of its wheat requirements for the year by barter or direct purchases with its own resources.

Future economic conditions and commercial prospects will largely depend on the success of the wheat crop harvested in the spring of 1954. Should the crop be sufficient for the country's needs, then Pakistan's foreign exchange position and earnings would permit more generous imports from abroad.

The encouraging increase in demand for Pakistan's cotton, which became evident at the close of 1952, continued during the first half of this year. In fact, there has been a record turnover of cotton during the current crop year ending on August 31st. Despite a very large crop, plus the carry-over from last year, it is now estimated that, at most, less than

Long-term development projects, aimed largely at increasing food production, are taking shape. This refugee family is typical of many who have been resettled on newly irrigated land in the Thal area.

100 thousand bales of poor-quality cotton will be carried into 1953-54. If this cotton were of good quality, it could probably be sold immediately.

Japan has been the largest importer of Pakistan cotton but the United Kingdom, France, Germany and China have all taken substantial quantities. Trade agreements negotiated with Japan, France and Italy during the past few months have resulted in these countries agreeing to take large quantities of cotton during the ensuing year. Japan alone has consented to buy 650 thousand bales, or nearly half of the cotton available for export.

Although the sale of cotton has turned out to be as good as in almost any year of Pakistan's brief history, the selling prices have been low in comparison with those obtained in 1951. However, the prices now being paid are probably closer to normal.

Jute Acreage Cut

The jute year ending June 30th was a good one and up until the last, prices remained firm and buying brisk. The carry-over into the new year is about 200 thousand bales compared with about three million bales at the end of last year, a notable improvement. As a result of controlled planting and reduced acreage, the estimated new crop is expected to total about 3·8 million bales, a 50 per cent reduction from last year. With reduced acreage and concentration on superior qualities, the new crop year should be a satisfactory one. Overall earnings, however, are bound to be down because of the smaller crop.

78616—1½

The three-year trade agreement with India signed in March has proved satisfactory to both parties. Under its terms, Pakistan arranged to facilitate the export of between 1·8 and 2·5 million bales of raw jute a year to India.

Tea, Wool, Hides and Skins

Of the minor export crops, tea has improved the most. After two very lean years, tea prices rose suddenly at the London and Chittagong auctions. Pakistan's earnings of foreign exchange from tea are, however, small.

Sales of hides and skins and wool compared favourably in quantity with the same period a year ago but, like most other commodities, prices were low.

Pakistan's balance of payments was more favourable during the first quarter of this year and this helped to better the rather critical position which prevailed at the end of 1952. The improvement, however, was slight when one remembers that the first quarter is the time when most of the brisk export trade is carried on. Although figures on the balance of payments position at the end of the half-year are not yet available, there are signs that official financial circles are somewhat disappointed. Pakistan's external financial position cannot be considered strong.

Foreign Trade Reviewed

The effectiveness of the measures taken in late 1952 to restrict imports and encourage exports are revealed in the following table. In fact, the cumulative balance of trade in March was favourable for the first time during the trade year 1952-53.

Total Foreign Trade

Period	Total imports	Total exports, including re-exports	Balance	Cumulative balance
1950-51	1,620·2	2,544·4	+924·2	....
1951-52	2,139·6	2,008·6	—131·0	....
1952-53				
July 1952	188·1	78·6	—109·5	—109·5
August 1952	169·3	104·1	— 65·2	—174·7
September 1952...	118·6	67·6	— 51·0	—225·7
October 1952	129·1	139·4	+ 10·3	—215·4
November 1952 ...	113·5	159·3	+ 45·8	—169·5
December 1952 ...	104·2	150·5	+ 46·3	—123·3
January 1953	110·6	165·5	+ 54·9	— 68·4
February 1953	114·3	176·8	+ 62·5	— 5·9
March 1953	100·1	155·4	+ 55·3	+ 49·4
April 1953	78·6	91·7	+ 13·1	+ 62·5
May 1953 .... (provisional)	67·3	113·0	+ 45·7	+108·2

For the ten months July 1952 to April 1953, Pakistan's total trade was largest with the United Kingdom, Japan, the United States, Germany and Italy, in that order. The United Kingdom was Pakistan's largest supplier, followed by Japan; Japan was Pakistan's best customer, with the United Kingdom coming next.

Cotton piece goods and yarns have been supplanted by machinery and iron and steel manufactures as the principal imports into Pakistan, because of the glut of cotton piece goods which came onto the market last year and because of the subsequent import restrictions.

A new import policy on private commercial transactions was announced in March and applications for licences to import a very small number of commodities were invited. Licences were issued only when there were definite indications of the amount of foreign exchange which would be available for commercial imports. In June, when the gift of wheat from the United States became assured, licences were issued primarily for industrial requirements on a strictly limited scale. Many importers, discouraged by the consequent lack of business and by future prospects, have been forced to retrench or close down.

Trade Policies

The commercial policy for the remainder of this year has not yet been announced but it can safely be assumed that, because of the unsatisfactory foreign exchange position, no relaxation will be forthcoming, at least until the yield of the 1954 wheat crop is established.

Canadian exporters interested in this market—and especially in selling engineering equipment and machinery—should have local representatives to follow up essential government needs for development projects and other procurement not governed by commercial import policy.

Total Canadian exports to Pakistan compare favourably with the same period last year because of large sales of wheat. Normal commercial exports have fallen off considerably.

The trade agreements negotiated with India, Japan, France and Italy—with the exception of the Indian agreement which was primarily a jute-for-coal arrangement—all feature the exchange of raw cotton and raw jute for manufactured products, within certain specified quotas. An exceptional feature of the Japanese agreement was an arrangement whereby Japan would sell certain manufactured goods to Pakistan on a long-term credit.

A few barter transactions were arranged during the first half of this year, mostly by private companies in co-operation with the Governments concerned. Although none of these was large enough to be significant, the more important ones were with Spain (jute for sugar), and Italy (cotton for yarns).

Development Plans

Pakistan's plans for immediate and long-term development both in private industry and national industrial and agricultural projects now seem to be moving ahead. Despite the still weak external financial position, the Government feels that development must proceed now that the U.S. wheat grant has taken care of the food problem. This means that non-essential demands for the use of foreign exchange must be subordinate to development requirements. Moreover, the counterpart rupee funds created by the proceeds from the sale of the U.S., Canadian, and Australian wheat (about the equivalent of $115 million) are, by agreement, to be used for national development projects. This is an added inducement because the projects on which counterpart funds are used are the ones for which foreign aid is also forthcoming.

The cotton textile industry has now reached a stage where Pakistan expects to be self-sufficient in the coarser grades of piece goods by 1954. The jute manufacturing industry in East Pakistan, where the goal of

6,000 looms is more than half achieved, should be able by the end of the year to meet domestic needs for hessians and have some over for export to dollar markets. Private business plans are maturing, in co-operation with outside firms, for a pharmaceutical factory, a metal box factory, a wire and cable factory, and an electrical appliance factory. Another British company is building a paint factory.

One of the more spectacular developments is the discovery and proof by Pakistan Petroleum Limited (Burmah Oil Company) of large natural gas deposits at Sui, 350 miles northwest of Karachi. Plans to construct a pipeline to deliver this gas to Karachi are under study. The proven reserves of this field are said to be a million cubic feet of gas a day for over fifty years. This should give a fillip to the economy which is deficient in natural fuels.

The aid programs of different countries, so long in the planning stage, are now beginning to materialize. Under the Colombo Plan a cement plant, a grant from Canada, is being constructed and a fertilizer plant given by the U.S. is building. A 150 thousand KW hydro project at Warsak in northwest Pakistan is under way, aided by a grant from Canada; so are irrigation and land reclamation projects. With the food problem paramount, the emphasis is naturally on projects which, directly or indirectly, are aimed at increasing food production.

In Summary

Economic conditions in Pakistan have improved considerably compared with the last half of 1952. If Pakistan has a good wheat crop large enough to meet its needs in the spring of 1954, and if the demand for its raw cotton and raw jute continues, economic conditions should return to normal. However, the prosperity of the boom years of 1950 and 1951 cannot be expected. The next twelve months are likely to see a rise in the cost of living which should be hard for the middle and upper classes, but for the vast majority this period should not be too difficult.

—A. P. Bissonnet
Commercial Secretary for Canada

Tours of Territory

A. G. Kniewasser, Acting Canadian Government Trade Commissioner in Beirut, Lebanon, will visit Lattakia, Aleppo, and Damascus in Syria from October 12 to 18. Businessmen who wish to get in touch with Mr. Kniewasser about urgent matters in these cities are advised to cable him at Beirut.

P. V. McLane, Canadian Government Trade Commissioner in Port of Spain, Trinidad, plans to visit British Guiana and Surinam about the end of October. Businessmen interested in these countries should write Mr. McLane at Port of Spain as soon as possible.

Businessman's Bookshelf

Netherlands Industry since 1945

A Record of Postwar Progress. Federation of Netherlands Industries. 112 pages. 65 cents.

WHEN THE WAR ENDED, industry in the Netherlands rolled up its sleeves and tackled a tremendous job. It had to get its plants back into shape and build new ones, both to meet a pent-up domestic demand and cater to world markets. And Holland's altered economic circumstances made the transformation from a primarily agricultural to an industrial country urgent and vital.

This booklet discusses first the general problem and then outlines, industry by industry, the progress made. Pictures, statistical tables and maps help to tell the story. Bearing in mind their own swift industrial progress, Canadians should find the Dutch achievement interesting.

Order from: Commercial Counsellor, Netherlands Embassy, 168 Laurier Ave. E., Ottawa.

Springs of Canadian Power

Chatham House Information Paper. 58 pages. 75 cents.

MANY REVIEWS of Canada's economic progress and prospects have appeared in the last few months. This one has the added interest of being written from the British point of view and the merit of a crisp, concise style. The author concentrates on five main fields of interest—the St. Lawrence Seaway, the iron ore development, petroleum, natural gas, and aluminum. The information given is succinct, up-to-date, and supplemented by charts. Canadians—who know the story which it tells—will still find the booklet useful for ready reference.

Order from: Oxford University Press, 480 University Avenue, Toronto.

South American Handbook, 1953 Edition

Edited by Howell Davies for Trade and Travel Publications Ltd. 786 pages. $2.00.

THE VARIETY OF INFORMATION contained in small compass is the outstanding feature of this useful little volume. It takes up, in turn, each country of Central and South America, giving geographical, historical,

political and trade information. Those who are planning visits to any of these countries will find hints on transportation, climate, hotels, documents required, etc.

Introductory material includes a useful glossary of Spanish and Portuguese terms, and the appendix on steamship services to and from Latin America should be helpful. We have already installed the handbook close by, for ready reference.

Order from: The H. W. Wilson Company, 950/972 University Avenue, New York, N.Y.

Foreign Commerce

by Harold J. Heck. 500 pages. $7.80. McGraw-Hill.

THIS BOOK is a text designed primarily for use in universities as an introduction to international trade. It surveys comprehensively nearly the whole field of foreign commerce, describes such practical matters as how exports and imports are organized, and includes discussions on intergovernmental agreements and balances of payments. The fact that the book was written primarily for United States readers only slightly limits its value for Canadians. Certain chapters may be of considerable use to Canadian exporters, particularly those who are newly entering the export field. This is especially true of the sections dealing with the nature and pattern of foreign trade, with organization, financial and marketing practices, and with tariffs and import restrictions.

Because the author covers such a broad field, he examines individual subjects only briefly and readers may wish to provide themselves with further information from other sources. Later sections of the book, dealing with policies and intergovernmental organizations, may be useful to businessmen as background information. The book is so organized that it is easy to refer to its various sections.

Order from: McGraw-Hill Co. of Canada Ltd., 253 Spadina Avenue, Toronto, Ontario.

Handicrafts and Small Scale Industries in Canada

Economics and Research Branch, Department of Labour. 27 pages (mimeographed). Free.

THE RENAISSANCE OF INTEREST in handicrafts since the war is reflected in this study, which outlines what federal, provincial and private agencies are doing to foster the handicraft movement. It also discusses sources of raw materials, the improvement of design, and the marketing problem. One question examined at some length is the encouraging of the Indian and Eskimo population to maintain their traditional crafts. Originally prepared at the request of the International Labour Office, it brings together information from a number of sources and thus has particular value.

Order from: Economics and Research Branch, Department of Labour, Ottawa.

Chemicals . . .

a growing industry and its markets

OTTAWA—The Canadian chemical industry has been growing rapidly over the last half century. Built initially to supply the requirements of certain extractive industries, or based on cheap electric power, it has since become more fully integrated with the rest of the economy, using the by-products of other industries and serving more directly the needs of consumers.

Recently, with the outbreak of war in Korea and a recurrence of world-wide shortages, further expansion of our chemical-making facilities was undertaken. This program, which is of even greater long-term significance than that launched in the interests of munitions production during World War II, is nearing completion. Laying special emphasis on the production of petrochemicals and aimed largely at augmenting Canada's output of fertilizers, plastics and synthetic fibres, it marks yet another phase in the industry's development.

Long-Term Trends

There is little reason, however, to believe that the long-run upward trend will be interrupted for any great length of time. One reason for this is Canada's increasing population and rising standard of living. Many Canadian chemical requirements are reaching the point where more economic runs are possible in this country. Another reason is that, as other countries (especially the United States) turn more and more to Canada for strategic materials such as oil, natural gas and non-ferrous metals, new chemical facilities will have to be built here to utilize efficiently the by-products of these extractive industries. Greater fertilizer production, assisted by free tariff entry into the United States, and the recovery of such useful materials as sulphur are examples.

These factors, reinforced by advancing technology and the growing influence of chemistry on manufacturing in general, will help to maintain the tempo of industrial development in Canada. Equally important, it will ensure that the chemical and chemical processing industries like pulp and paper manufacture, petroleum refining and metallurgical processing will become even more important in the economy as the years go by.

Postwar Expansion Program

The record already reveals how well this industry has adapted itself both to local conditions and to the exceptional demands made upon it during national emergencies. It was, naturally, expected that the end of World War II would see a marked curtailment in activity in the chemical industry. But, except for the closing down of a number of temporary explosives plants, this did not come to pass. Indeed, the late 1940's were

marked by a steady increase in civilian and export demands. This effectively harnessed the new wartime chemical capacity to peacetime needs and made necessary expansion in lines which had only begun to be exploited before 1939.

Fertilizer production continued to rise as very large export demands were added to the continuing growth in domestic sales. The Canadian synthetic rubber, primary plastics and carbide chemical industries also found foreign outlets for much of their surplus production. For a time, it looked as if the termination of overseas American loans and the revival of foreign and especially European competition would have a depressing effect on Canadian output. However, with the outbreak of war in Korea and the subsequent increase in general business and defence activity, this is now unlikely. Instead these firms, almost without exception, are adding substantially to the capacity with which they emerged from World War II.

Chemicals for the Consumer

The most noteworthy development in the immediate postwar period centred around the entry of chemicals into the consumer field. The trend towards making more and more end-products was shown in the manufacture for the first time of ethylene glycol for anti-freeze; insecticides; cosmetics; antibiotics such as penicillin, streptomycin and aureomycin, and the hormone cortisone. The plastics moulding industry was able to draw heavily on new capacity for producing styrene monomer at Sarnia, polystyrene at Montreal and Sarnia, and vinyl resins at Shawinigan Falls and Montreal. This, together with requirements for surface coatings, paints, packaging and construction, caused the domestic demand for plastics to more than double between 1945 and 1950.

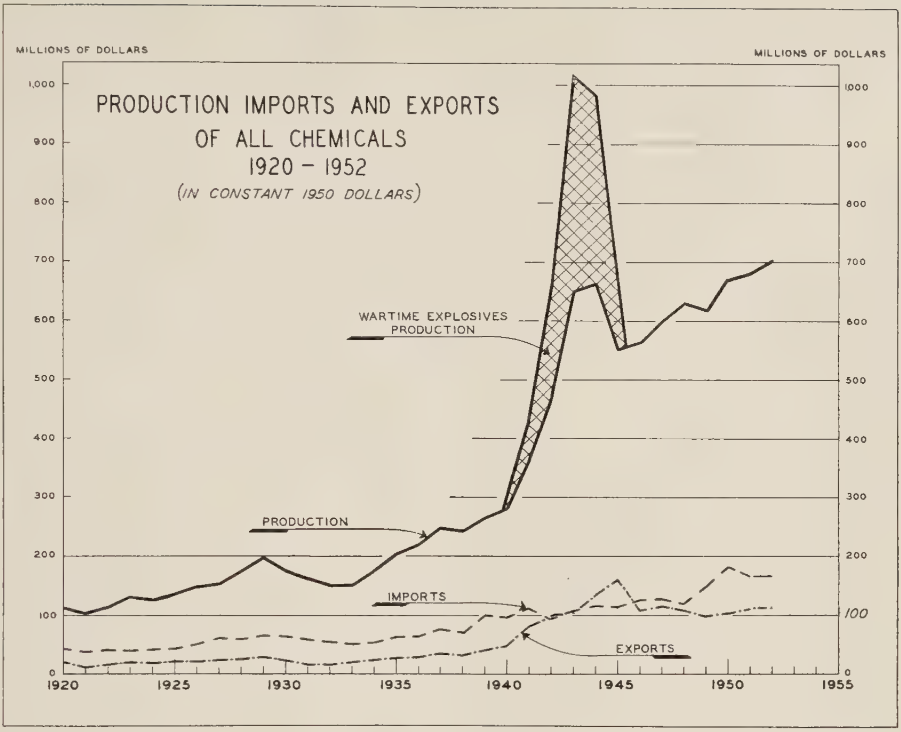
These were all unique products. Then there were insistent replacement demands for chemical substitutes such as detergents and synthetic fibres. The latter has also involved expansion of existing facilities and the establishment of new postwar factories.

Swing to Organic Chemicals

Until recently, plants built during the war years were capable of supplying most of the demands for process chemicals from Canada's other major industries. However, the mounting requirements of oil refineries, paper mills, and primary iron and steel, aluminum and the other non-ferrous metal industries, have made further construction necessary. This, with the introduction of several new products such as aluminum salts, has accompanied the steady swing to organic chemicals—particularly those derived from petroleum and natural gas—which has characterized chemical production in Canada since 1945.

A review of these publicly announced projects actually shows that something like two-thirds of the moneys being devoted to the erection of new chemical manufacturing facilities is in the field of what are commonly referred to as petrochemicals.

Some of these new facilities have been inspired by the nation's present defence effort, but in the main they have been designed to serve the long-term needs of Canada's agricultural, consumer goods and strategic resource industries. Practically all of this capacity could be mobilized for the production of munitions in the event of all-out war, though it will



—Economics Division, Dept. of Defence Production.

soon form an integral part of our civilian economy. Most of the new sulphur production, for instance, will go into pulps, newsprint, and other paper products. Several of the largest plants are being built to make fertilizers, plastics and synthetic fibre intermediates. Numerous other facilities are being created to serve the growing needs of Canada's soap, paint and motor vehicle manufacturers. A sizable number are also being launched by firms engaged primarily in the production of strategically important staples such as oil, the base metals and aluminum.

New Projects

As a result of this program, a number of chemicals will be produced in Canada for the first time. They include carbon black (mainly for use in the Canadian rubber industries), pentaerythritol, formaldehyde and phthalic anhydride (for use in plastics and paints) and polyethylene (which is being widely adopted both as a packaging material and in industry in the form of shapes and coatings because of its structural and corrosion resistance properties).

Most of these new projects which were initiated in the twelve months following the outbreak of war in Korea will be completed by the end of 1953 and only a few of any magnitude are likely to carry over into 1954 and 1955. Thus, unless there is an unforeseen and much accelerated defence effort, it is unlikely that capital expenditures in this industry will approach the present peak until 1956 or later. However, because of the

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growing size of the industry and the demands of obsolescence and technology, future levels of investment will likely be on a much higher plane than in 1946 to 1950.

The Investment Picture

Investment over the past several years, and the outlook for the present year, are detailed below.

(Capital Expenditures in Millions of Current Dollars)

Product Category	1946	1947	1948	1949	1950	1951	Prel. 1952	Est. 1953
Acids, alkalis and salts......	2·5	5·8	11·6	6·6	5·5	11·5	24·3	14·8
Fertilizers	2·5	1·4	1·7	1·8	2·0	3·1	6·3	7·3
Medicinals, etc.	4·5	4·1	2·5	1·8	1·4	2·8	2·7	2·6
Paints and varnishes........	2·4	5·4	2·9	1·6	1·3	2·7	2·2	2·8
Primary plastics	2·1	2·8	6·2	10·5	5·0	5·9	24·2	20·8
Other chemical industries*..	5·6	14·2	17·5	16·8	12·3	31·4	62·2	48·2
Total	19·6	33·7	42·4	39·1	27·5	57·4	121·9	96·5

* Includes synthetic fibres, explosives, etc.

This is not to suggest any prolonged hiatus in the growth of the chemical industry in Canada. Canada is a very substantial importer of a wide range of chemicals, including methyl chloride, tetraethyl lead (an anti-knock agent in ordinary gasoline), the industrially useful element sodium, textile dyes, and numerous new plastics and chemotherapeutics Our need for these products is fast approaching levels which could support efficient plants. Moreover, chemical usage in Canada per capita is still far behind that of the United States. In fact, in order to reach parity and at the same time achieve self-sufficiency in chemicals, output in this country would have to be nearly trebled. These are but several of the arguments supporting the conclusion that the expansionary force in Canada's chemical industry is far from being spent.

Growth in Markets

The following table, listing Canadian production, imports and exports of chemicals since 1920, gives some indication of the growth in markets and the changing pattern of supply over the past thirty years:

(Value in million of dollars)

Year	1920	1925	1930	1935	1940	1945	1950	1951	Prel. 1952
Canadian production..	129	110	133	127	208	519	647	776	800
Imports	56	35	46	39	60	88	182	192	188
Exports	22	17	17	17	32	125	103	132	125
Domestic supply	163	128	162	149	236	482	726	836	863
Imports as per cent of dom. supply...	34·4	27·3	28·4	26·2	25·4	18·3	25·1	23·0	21·8

This shows that, value-wise and despite the absolute increase in consumption, Canada through time has been able to meet more of its requirements out of domestic production. However, these figures can be misleading because changing prices must also be taken into account in appraising progress towards self-sufficiency.

Reference to statistics which reflect physical trends more accurately shows that, since 1945, Canada has been importing about 20 per cent of its chemical needs, compared with nearly 30 per cent in the late 1920's. Canadian firms have also been making gains in their sales outside of Canada. Not only have their export sales nearly quadrupled, they have also accounted for a somewhat higher proportion of total output.

Throughout this period production has tended to increase in a stepwise way. It rose steadily throughout the 1920's and from 1935 up until the end of World War II. The recession of the early 1930's was short-lived, with a drop in output of less than one-third compared with 1929. Again, right after the end of World War II production fell off somewhat, only to pass the wartime peak* of 1944 in 1950.

Chemicals Trade with U.S.

Canada has also witnessed a re-orientation of its foreign trade in favour of the United States and has become that country's most important export market for chemicals. In 1952, the $166 million of chemicals which Canada imported from the United States represented 88 per cent of our total chemical imports and resulted in an adverse balance of over $90 million in chemical trade with that country. Meanwhile, shipments from the United Kingdom have declined since the early 1920's, and Germany is no longer one of our major suppliers as it was in the late inter-war period.

About a third of Canada's total chemical imports consists of drugs and pharmaceuticals, paints and pigments, and primary plastics, each representing nearly an equal percentage of chemical imports.

In the export field, business with the United Kingdom has declined. This has been much more than offset, however, by sales in other overseas countries and recently by a sharp increase in chemicals destined for the United States, which now represent over 50 per cent of total Canadian chemical exports.

Fertilizers Lead Exports

Fertilizers are by far the largest element in Canadian export trade, accounting for over 25 per cent of the total. Other large-volume exports are sodium compounds, synthetic rubber and synthetic resins. Together they account for an additional 15 to 20 per cent of present exports abroad.

Foreign trade and other aspects of such groups of chemical products as fertilizers, synthetic rubber, plastics and the industrial chemicals will be discussed in greater detail in subsequent articles.

This article, the first of a series of six to appear in subsequent issues of "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury, of the Economics Division of the Department of Defence Production.—Editor.

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* Exclusive of wartime explosives production.

Commodity Notes

AUSTRALIA

Asbestos—Asbestos production at Wittenoom Gorge has almost doubled. In the three months ended March, 1952, it was 464 tons valued at £51,615; in the same quarter this year, it was 862 tons at £131,348. Production of blue asbestos fibre is increasing slowly. More than half the fibre sold in 1952-53 was exported to Europe and the United States, but the market abroad for asbestos fibre is dropping and the producers will have to depend more on the Australian market —Melbourne, Sept. 9.

BRAZIL

Combustibles—During the first three months of 1953, crude oil production rose from 29,132,000 liters in the same period of 1952 to 37,902,000 liters; gasoline output rose from 10,883,000 liters to 12,503,000 liters. Eighty-octane gasoline, light naphtha and propane gas were produced for the first time in this country. Output of diesel oil, however, dropped from 3,071,000 liters to 1,306,000 liters, and of kerosene from 1,411,000 liters to 75,000 liters—Rio de Janeiro, Sept. 12.

BRITISH WEST INDIES

Sugar—Sugar production in the B.W.I. and British Guiana is expected to increase from 907,866 tons in 1952 to 973,185 tons in 1953, according to estimates made at the end of May by the British West Indies Sugar Association. Increases are expected from all territories except Barbados and Antigua—Port of Spain, Sept. 18.

DENMARK

Bacon—Danish bacon factories recently completed a contract with the British Ministry of Food to supply bacon to the U.K. for the next three years. The first of these years—October 1953 to September 1954—is the last year of the old two-year contract, which limited price adjustments to 10 per cent either way, and bound the United Kingdom to take 90 per cent of Denmark's bacon exports. A price reduction of 7·45 per cent was agreed upon for the first year of the new contract period, making the price 237/6d. per cwt. c.i.f. English east coast ports; the quantity was fixed at 230 thousand long tons. For the two subsequent harvest years, the quantity has been fixed at a maximum of 200 thousand long tons. A price clause limits the fluctuations in each of the two years to 10 per cent either way. Because the Danish home market price and the prices obtained in secondary markets largely follow those paid by the United Kingdom, the new contract entails a loss of income to Danish farmers of about 130 million kroner—Oslo, Sept. 14.

JAPAN

Electric Insulators—A Japanese firm has successfully tendered an order for $300 thousand worth of insulators for the Bonneville Dam Administration. This contract is the first which the U.S. has awarded to Japanese manufacturers for materials to be used in the U.S.—Tokyo, Sept. 15.

MIDDLE EAST

Oil—According to official sources, Middle East crude oil production for the first half of 1953 set a record for any six months' period. The total output for the period is estimated at 59 million metric tons, compared with 50·5 million tons for the same period of 1952, and 54·5 million tons for the second half of that year. Statistics indicate that the main Middle East oil producing country during the first half of this year was Kuwait, whose production slightly exceeded that of Saudi Arabia for the first time. Both these countries produced just over 20 million metric tons. Iraq came third with a total output of 13·5 million tons—Cairo, Sept. 10.

SPAIN

Agricultural Tractors—The official tender for local manufacture of agricultural tractors, opened in February 1953, was decided in favour of a group formed by the Banco de Santander, Nueva Montaña-Quijano, Ricardo Medem y Cia., S.A. and the firm Heinrich Lanz, A.G., Mannheim, Germany. The company will work under the patents, manufacturing and technical procedures of the German Lanz enterprise.

First to be constructed will be a "Lanz-Bulldog" type tractor, drawbar 30 h.p., pulley 36-38 h.p., semi-diesel motor. The plans for the new factory were recently submitted to the Ministry of Industry by the new company which will be registered as "Lanz Iberica, S.A.", with head offices in Madrid and factory at Getafe, Madrid. Building of the plant will begin shortly—Madrid, Sept. 17.

TRINIDAD

Cement—Construction of the new cement plant is progressing rapidly; foundations have been laid for a 300-foot rotary kiln. Production capacity is estimated at 100 thousand tons, of which 40,000 will be available for export. The new company is a subsidiary of a cement manufacturer in the United Kingdom, although some of the capital will come from the Colonial Development Corporation—Port of Spain, Sept. 15.

UNITED STATES

Braille Christmas Card—A Boston greeting card manufacturer has announced the introduction on a national scale of Christmas cards in Braille. These are the first such cards to be made available across the country in commercial quantities.—Boston, Sept. 23.

West Germany

Promoting Dollar Trade

Intensive efforts made by German exporters to cultivate the Canadian market are bearing fruit; sales to other dollar countries are also rising.

BONN—German exports to Canada during the first six months of this year were 50 per cent higher than for the same period last year, primarily because of effective promotion in the Canadian market. Sales to other dollar countries have also risen over last year. This has contributed towards a considerable reduction in the dollar trade gap.

Future Sales Appear Promising

Western German exporters, slightly discouraged by the decrease in sales to Canada during 1952, have grown optimistic again as the effort to cultivate the Canadian market over the past few years begins to bear fruit. April exports from Germany to Canada totalled \$3 million, compared with \$1·1 million for April 1952, and the increase was maintained during May and June, with totals of \$2·6 and \$2·8 million respectively. The value for the first six months rose to almost \$14 million, compared with approximately \$9 million for the same period of 1952. This development in trade between Germany and Canada is particularly significant because it takes place in the face of trade uncertainties stemming from the conclusion of the Korean armistice. The following table shows, however, that there is still a sizable balance in Canada's favour.

Trade Between Canada and West Germany

(in millions of Can. dollars)

	Exports to Germany	Imports from Germany	Balance for Canada
1950	9	11	— 2
1951	37	31	+ 6
1952	95	23	+72
1953			
January	3·1	1·6	+ 1·5
February	2·8	1·8	+ 1·0
March	1·4	2·2	— ·8
April	4·9	3·0	+ 1·9
May	8·0	2·6	+ 5·4
June	13·8	2·8 est.	+11·0

D.B.S. statistics.

Sales to Dollar Markets

The first six months of 1953 witnessed a marked improvement also in exports to other countries in the dollar area. Sales to the U.S. exceeded the previous year's figure by 30 per cent, increasing from \$110 million to \$143 million. In June, their value rose 51 per cent above June 1952. The

dollar countries of Central and South America have also increased their purchases of German goods but to a lesser extent—the $46 million of the first half of 1952 rose to $57 million for the first half of 1953. Special efforts will be made to promote German products in this area during the next year. One device will be an all-German Trade Fair to be held in Mexico, sponsored by the German Government with the co-operation of the Mexican trade authorities.

Trade Balance with Dollar Area

(in thousands of U.S. dollars)

	Imports	Exports	Balance
1950	597	243	—354
1951	876	381	—495
1952	892	450	—442
1953			
January	60	39	— 21
February	50	45	— 5
March	54	48	— 6
April	47	49	+ 2
May	61	45	— 16
June	75	47	— 28

Dollar Imports Drop

The sharp reduction in Germany's dollar trade gap has been achieved partly by the diversion of imports from dollar countries. These declined from $423 million in the first half of 1952 to $289 million during the same period in 1953. Another important factor was the improvement in the terms of trade—the ratio between export and import prices. Average import prices are said to be some 10 per cent lower than during the Korean boom.

Bilateral trade agreements are responsible to some extent for the increase in trading with the non-dollar area. Such agreements have been concluded with a number of countries, sometimes with only fair results. Brazil, Egypt, Argentina and Japan have in certain cases built up large deficits exceeding the "swings" agreed upon in the treaties. However, the total German surplus with the bilateral offset-account countries is much less than in the summer of 1952.

Not all imports into Germany from the hard currency area are paid for from dollar earnings. A fairly substantial volume of dollar imports comes in under "switch deals" whereby the necessary dollar exchange is provided by a third country, usually for a small premium in marks. The growth of Germany's creditor status in the European Payments Union has, of course, made the use of this device much simpler. Other sources of dollars have been the settlement of debts by debtor countries in free dollars, expenditures by the United States and Canadian forces in Germany, and the tourist trade.

Many Products Share Rise

In the overall trade picture, German exports of textiles, chemicals, electrical goods, precision and optical instruments, machinery and motor vehicles have been rising. Cotton and synthetic textiles, machine tools, automobiles, chemicals, cameras, sewing machines, surgical instruments, sheet glass, scissors, clocks, hand tools, etc., have all shared in the increased sales to Canada. Machine tool makers feel somewhat less optimistic about prospects in the Canadian market than they were earlier

this year but this is partly the result of an anticipated rearmament slow-down. However, demand for consumer goods shows an upturn both in the Canadian and U.S. markets.

Gains May Be Reversed

The German Central Bank—the Bank Deutscher Laender—has expressed the belief that the overall surplus and dollar position may deteriorate during the remainder of the year, for the following reasons:

- The signing of the London Debts Agreement which will require transfers to creditors abroad. The agreement awaits ratification by the main creditors before coming into operation. This ratification, however, is expected before the end of 1953.

- Following the signing, the German Government intends to begin to transfer certain types of capital earnings.

- Payments will be made to EPU countries under the terms of the European Coal and Steel Community Agreement.

- Increased imports will be officially encouraged.

A seasonal increase in imports seems probable in these fall months. In any case, the future dollar balance will depend on continued high imports of goods by Canada and the rest of the dollar area.

Continuing Promotion Planned

German trade officials and industrialists are well aware that the German and Canadian economies are complementary in many respects and they foresee an inevitable strengthening of trade relations. They realize that the initial efforts to enter the conservative Canadian market must be maintained and gains consolidated, particularly at this critical point, when the goodwill built up during the last few years is beginning to pay dividends. The making of suitable contacts has proved extremely important and the Canadian International Trade Fair, Toronto, has done much to bring German and Canadian businessmen together. Already German firms have indicated that they will participate in the 1954 Fair, following success at the 1953 CITF. This official and private co-operation will strengthen normal two-way trade between Canada and Germany.

The recent steps taken by the German Government towards freeing the dollar in Germany by allowing the commercial market to establish the official rate within limits is another advance and suggests that the policy of liberalizing trade and payments as quickly as possible will continue.

—I. V. MacDonald

Assistant Commercial Secretary for Canada

—See also articles in *Foreign Trade* of May 23, 1953, and July 18, 1953, on trade between Canada and West Germany.

Australia

Wanted: Markets for Coal

Production in Australian coal mines was stepped up and exports were cut to meet war-time demands. Now output is outstripping use and the industry must find new outlets.

SYDNEY—Australia has a wide range of coals—from semi-anthracites of 12-15 per cent volatile content on the dry ash-free basis to immature brown coal containing about 66 per cent of moisture in situ. All the states have coal deposits but the principal producers are New South Wales and Queensland, with the highest quality coal in the Commonwealth and the total output of coking coal.

Estimated black coal reserves in Australia are about 16 billion tons; reserves of brown coal are about 37 billion tons. Brown coal is produced only in the State of Victoria and virtually all electricity generated in that State is based on it. This coal is also used for briquetting, but only in Victoria because the high moisture content makes transportation costs prohibitive.

Better Methods Boost Output

During the postwar years, coal producers could not meet demand, largely because of labour shortages, loss of working time through industrial disturbances, antiquated mining equipment, and shortages of rail cars for transporting the coal from the mines. However, the past two years have seen a great improvement in output because of better labour relations, mechanization, more rail cars as a result of large-scale imports, and a slight drop in consumption. An indication of the production trend is that, in the year ended June 30, 1953, estimated coal production was 18·5 million tons, compared with 19·1 million tons in 1951-52 and 16·4 million in 1950-51.

By far the largest proportion of Australia's coal is recovered by underground mining and it appears that open-cut mining will not displace it to any considerable extent, although use of this method has increased tremendously in the last ten years. During the past year several open-cut mines were closed and production from others was deliberately cut down because consumption declined.

Production and Consumption

Before the war Australia exported large quantities of coal, but with the rapid growth of industry in the immediate postwar years, the demand for coal for generating electric power, for the expanding steel industry, for gas production, and for industry in general increased. The coal mining industry could not keep pace with requirements and substantial amounts

had to be imported. However, in the last two years production improved and demand dropped, and now supply has overtaken consumption, leaving a surplus (particularly of steaming coal) for which markets are being sought. The following table outlines the overall coal position in Australia in 1951-52:

Coal Production and Consumption

	1951-52 Actual	1951-52 Estimated
	(thousand tons)	
Underground production	14,873	15,010
Open-cut production	4,228	3,540
	19,101	18,550
Internal consumption	17,736	17,800
Exports	139	265
Imports	282	143
Increase in stocks	1,508	628

Export Prospects Poor

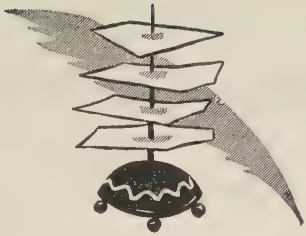
Indications are that, during the next few years at least, there will be no shortage of coal in Australia, but it is doubtful whether Australia will ever regain her prewar position as an important exporter. Some small shipments were made to Pakistan and Singapore last year and arrangements were made recently for the sale of 100 thousand tons of N.S.W. coal (steaming coal) to the United States' Army in Japan for use in South Korea. Earlier, a contract was negotiated for sale of 100 thousand tons of Queensland coal, also to the U.S. Army in Japan. Exports to date, however, have not taken up any substantial percentage of total production and production costs have risen so much that most of Australia's prewar coal markets may be closed permanently.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.



General Notes

FINLAND

Forestry—During the period June 1952-May 1953 an estimated 28 million cubic metres were cut in the Finnish forests, as compared with 37·7 in the previous season. The decrease was the result of falling demand on the world market—Stockholm, Sept. 16.

UNITED KINGDOM

Improving Industrial Efficiency—The United Kingdom Government has made available £700 thousand for short-term loans to industry for the purpose of increasing productive efficiency. The funds which accrue from United States Mutual Security aid will be used to provide loans to small and medium-sized firms who can show that financial assistance will enable them to increase exports or operate more efficiently. It is expected that most of the loans will be made for new equipment and improvement of plant layout—London, Sept. 19.

Molybdenum Control Lifted—Restrictions on the use of molybdenum in alloy steel were removed in the United Kingdom on September 21, following an improvement in supplies. Restrictions on the use of nickel and molybdenum in certain forms of alloy steel were imposed in 1952 because these metals were scarce. The restrictions on nickel remain—London, Sept. 23.

UNITED STATES

Home Building—Construction of new homes in the Detroit area during the first half of this year was 39·8 per cent ahead of the same period in 1952. Permits issued this year total 18,164, compared with 13,122 last year. The postwar urge for country living, plus the fact that available residential lots in the city are limited, has resulted in a tremendous increase in suburban building. For every new home being built in Detroit this year, approximately four are being built in the suburbs and nearby rural areas—Detroit, Sept. 25.

WEST GERMANY

Dollar Gap Decreasing—The dollar gap in German foreign trade has narrowed considerably during January-June 1953. During the first half year of 1953 the deficit amounted to $41·4 million, as compared with $262·3 million during the same period of 1952. This improvement in Germany's trade balance with the free dollar countries is the result of a 47·4 per cent increase in exports and a 31·7 per cent decline in imports—Bonn, Sept. 17.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. His itinerary is:

Toronto—October 19-24
Welland—October 26
Hamilton-Brantford—October 27
Sarnia—October 28-29
Winnipeg—November 23
Vancouver—December 1-11

R. P. Bower, Commercial Counsellor for Canada in London, will begin a Canadian tour in Vancouver, October 5-9. His itinerary is:

Vancouver—October 5-9
Edmonton—October 13-14
Calgary—October 15
Regina—October 16
Winnipeg—October 19-20
Niagara Falls—October 22-23
Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

J. C. Depocas, Canadian Government Trade Commissioner in Guatemala City, began a tour of Canada in Quebec City on August 17. He will visit Montreal, September 30-October 10.

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Vancouver—October 6-19
Victoria—October 20

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, began a tour of Canada in Montreal, September 8-15. His itinerary is:

Vancouver—October 1-7
Edmonton—October 8
Winnipeg—October 9
Ottawa—October 13-16

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, is beginning a tour of Canada in Vancouver and Victoria, September 30-October 5. His itinerary is:

Edmonton—October 6-7
Winnipeg—October 9
Sarnia—October 13
Windsor: Walkerville—October 14
Toronto—October 15-20
Montreal—October 21-26
Ottawa—October 27-November 4
St. John's (Nfld.)—November 7

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Vancouver—October 5-10
Winnipeg—October 13-14
Ottawa—October 16-17

J. H. Stone, Assistant Commercial Secretary for Canada in Paris, began a tour of Canada in Montreal, August 31-September 4. His itinerary is:

Sarnia—October 6
Kitchener—October 7
Preston: Brantford—October 8
Guelph—October 9
Ottawa—October 12

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, begins a tour of Canada in Quebec City on October 5. His itinerary is:

Moncton—October 8
New Glasgow: Trenton—October 9
Halifax—October 14
Saint John—October 16
Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Windsor: Walkerville—November 5
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Guelph, Halifax, Montreal, New Glasgow, Saint John.

Chamber of Commerce—Arvida, Brockville, Calgary, Hamilton, Kingston, Kitchener, London, Niagara Falls, Pembroke, Peterborough, Preston, Quebec, Regina, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Moncton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Trade and Tariff Regulations

GREECE

Customs Tariff Revised—Various revisions in the Greek customs tariff were made by a decree-law of August 27, in force retroactively since July 21, and by a draft decree-law effective September 11. An outline of these revisions is given below:

- The rates of duty were increased by 50 per cent on several items dutiable according to weight. As a result of the devaluation of Greek currency last April (see *Foreign Trade* of May 16, 1953), the effective value of these duties is not greater than it was before devaluation. Among the items affected, Canadian exporters may be interested in coniferous lumber, wood pulp, electric heaters, caustic soda, zinc oxide and iron oxide.

- The following articles, hitherto dutiable by weight, are now subject to rates of duty according to value, involving an increase in the duties: iron bars of certain sections, various types of sheet iron including tinplate, wire and wire ropes of iron and non-ferrous metals, shovels, picks, scythes, sickles, and passenger automobiles weighing up to 800 kilograms (about 1,760 pounds).

- For various textile fabrics and manufactures and for cutlery, dutiable according to weight, alternative ad valorem duties have been established with the provision that actual duties may not be lower than the new ad valorem duties.

- The coefficient for converting tariff rates on certain edible animal fats was increased from 5 to 10.

- The rates of duty were reduced on various parts of radios imported separately, on certain refrigerating sets imported without the chests, and on motor vehicles for goods transport with a body similar to that of passenger automobiles.

- A luxury tax of 25 per cent was established for passenger automobiles of an original value exceeding $1,800 free in factory.—Athens, September 5 and September 14.

Information on rates of duty on individual items resulting from the above revisions may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

INDIA

New Open General Licence—The Government of India has announced the introduction of Open General Licence No. 31, replacing Open General Licence No. 29, which expires on September 30, 1953, according to a cablegram from the Acting Commercial Secretary for Canada,

New Delhi. Admission under the new Open General Licence requires that the goods be shipped on through consignment to India on or before September 30, 1954.

Open General Licence No. 31, like the former one, provides that specified commodities may be imported freely into India from all countries (except South Africa). The following have been removed from Open General Licence: wrought copper, brass, bronze and similar alloys; diesel engines; spare parts of power-driven pumps and tractors; certain chemicals; hosiery needles; scientific instruments, and microscopes. These goods are now subject to individual import licence, quotas being provided for both the soft and hard currency areas. No new items are added.

Further information will be available when the official text is received.

NORWAY

Customs Tariff Amended—The Norwegian customs tariff was amended by two Royal resolutions effective July 1 and August 3, respectively. The amendment involves some tariff reductions as well as increases.

No major Canadian export items to Norway are affected by these changes. However, among the goods on which duties were reduced are fork trucks, gelatine capsules for pharmaceutical products and rice semolina. Items on which the duty was increased include cables covered with lead, uncoated zinc plates, and certain knives and forks.

The special rates of duty, including taxes for certain articles imported by travellers for their personal use (see *Foreign Trade* of December 13, 1952), were reduced on various articles of clothing, fabrics, coffee and rice—Oslo, Sept. 15.

Exporters may obtain information as to individual items affected by the amendments from the International Trade Relations Branch, Department of Trade and Commerce.

PAKISTAN

Import Control Policy for July-December, 1953—The Government of Pakistan announced in a Press Note dated September 10, 1953, the commodities which are licensable for imports from the dollar area during the July-December 1953 licensing period. These goods are as follows:

Second-hand clothing; books and magazines.

Antibiotics, anti-T.B. drugs and medicines and preparations thereof; normal saline solution and quinine dihydrochloride solution; all sorts of homeopathic and biochemic medicines; unspecified medicinal herbs and crude drugs in their natural form; all sorts of unspecified drugs and medicines.

Coal tar dyes, including dyes for textile printing.

Ball, roller and taper bearings; hosiery and knitting machinery and component parts thereof; spooling, carding, sizing, spinning, weaving and twisting machinery and component parts thereof; dyeing and printing machinery; spindles and component parts thereof; internal combustion traction engines of road vehicle type; all sorts

of electric generating sets and alternators and component parts thereof; all types of road rollers; tractors and bulldozers and boilers and component parts thereof; humidification, air conditioning and ice making plants and component parts thereof; cotton ginning machinery and component parts thereof; all sorts of machinery and millwork and parts and accessories thereof.

Brake fluid; lubricating oils and greases; motor spirit; all sorts of unspecified mineral oils.

Paints; unspecified tires and tubes (new); unmanufactured tobacco.

Airplanes and parts and accessories thereof; motor trucks completely knocked down only; parts and accessories of motor cars and station wagons; parts and accessories of jeeps and trucks.

For previous announcement on this subject see "Foreign Trade" of September 19, pp. 23-24.

UNITED STATES

No Consular Invoice for Shipments Valued at $250 or Less—According to the *Federal Register* of September 9, 1953, (T.D. 53336), section 8.15(*a*) of the Customs Regulations is now amended to provide that a *certified invoice is no longer required* for the entry of merchandise valued at $250 or less. Previously the regulations required certified invoices for certain shipments valued above $100.

Duty-Free Entry of Gifts up to $10—According to the *Federal Register* of September 9, 1953, (T.D. 53336), section 8.3(*c*) of the Customs Regulations is now amended to permit duty-free entry of any article sent as a bona fide gift from a person in a foreign country to a person in the United States, provided the aggregate value of such articles received by one person on one day does not exceed $10. Previously the regulations set a $1 limit on such duty-free entry of parcels.

Duty-Free Entry of Equipment for Foreign Vessels—The Customs Simplification Act of 1953 amends Section 309 of the Tariff Act to provide for exemption from duties and taxes for articles of foreign origin withdrawn from customs-bonded warehouse for *equipment* of foreign vessels employed in the fisheries or in the whaling business, or actually engaged in foreign trade or trade between the United States and any of its possessions, effective on and after September 7, 1953. Previously, the exemption from duties and taxes applied only to *supplies* for such foreign vessels.

Tariff Commission Will Investigate Imports of Lead and Zinc and Products—The United States Tariff Commission has announced that on September 16, 1953, it instituted an investigation under authority of Section 7 of the Trade Agreements Extension Act to determine whether the articles provided for in tariff paragraphs 72, 77, 391, 392,

393, and 394, are, as a result in whole or in part of the duty or other customs treatment reflecting concessions granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industries producing like or directly competitive products.

The announcement also stated that this investigation would be conducted concurrently with a general investigation which is currently being made by the Tariff Commission relative to the United States production and consumption of lead and zinc. Therefore, public hearings in the investigation under section 7 will be held jointly with the hearing in connection with the general investigation. Public hearings with respect to lead are scheduled to begin on November 3, 1953, and with respect to zinc on November 5, 1953.

Paragraph 72 of the U.S. Tariff includes the following items: litharge, orange mineral, red lead, white lead, pigments containing lead. Paragraph 77 includes lithopone and zinc oxide. Paragraphs 391, 392, 393 and 394 are are the basic lead and zinc items.

Austria Regulates Foreign Trade

BERNE—A new law regulating Austria's foreign trade became effective on August 20. The essential change is the institution of full ministerial responsibility for decisions taken on concrete matters and the limiting of the competence of the Foreign Trade Council to the examination of questions of principle. Formerly, all import and export matters subject to authorizations required the unanimous approval of the working committee of this Council. The law also provides for appeal to foreign trade experts.

The abolition of the turnover tax on payments covering foreign goods processed in Austria for re-export for foreign account, and a reduction of the rate of 15 per cent to 10 per cent for provisional deposits pertaining to trade transactions, are among the new facilities provided. The Minister of Commerce is authorized to prohibit, with a certain degree of freedom, the export or import of commodities. He may also delegate to local authorities and to customs offices the powers of authorization which he holds. This is an advantage in speeding up the procedure in each instance, because it legally widens the field of exports not subject to licences which may come to the attention of the customs offices and which they may rule upon directly. Export licences will no longer be granted by the Minister of Finance but by the Minister of Trade, and therefore foreign trade formalities will come under one ministry only. However, import licences may be issued only if the National Bank grants the necessary exchange.

—Yves Lamontange
Commercial Counsellor for Canada

Published in first issue of each month.

Foreign Trade Service Abroad

† Indicates a change since previous publication.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
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Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, SYDNEY	*Mail:* P.O. Box 3952 G.P.O. *Cable:* CANADIAN *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, MELBOURNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, LEOPOLDVILLE 1.	*Mail:* Boîte Postale 373 *Cable:* CANADIAN *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, BRUSSELS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, RIO DE JANEIRO	*Mail:* Caixa Postal 2164 *Cable:* CANADIAN *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, SAO PAULO	*Mail:* Caixa Postal 6034 *Cable:* CANADIAN *Tel.:* 36-6301
Ceylon	Acting Canadian Government Trade Commissioner	Galle Face Hotel, COLOMBO	*Mail:* P.O. Box 1006 *Cable:* CANADIAN *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, SANTIAGO	*Mail:* Casilla 771 *Cable:* CANADIAN *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, BOGOTA	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 3562 *Cable:* CANADIAN *Tel.:* 12-251
Cuba	Acting Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, HAVANA	*Mail:* Apartado 1945 *Cable:* CANADIAN *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico	R. E. Gravel, Canadian Government Trade Commissioner	Edificio Copello 410, Calle El Conde, CIUDAD TRUJILLO	*Mail:* Apartado 451 *Cable:* CANADIAN *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, CAIRO	*Mail:* P.O. Box 1770 *Cable:* CANADIAN *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	Commercial Counsellor for Canada	3 rue Scribe, PARIS	*Mail:* (City Address *Cable:* CANADIAN *Tel.:* OPEra 42-30
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Germany	Wm. Van Vliet, Agricultural Secretary		

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Greece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., Athens	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 72-853
Guatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, Guatemala City	*Mail:* P.O. Box 400 *Cable:* Canadian *Tel.:* 5590
Hong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., Hong Kong	*Mail:* P.O. Box 126 *Cable:* Canadian *Tel.:* 28336
India	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, New Delhi	*Mail:* P.O. Box 11 *Cable:* Canadian *Tel.:* 40191
India Burma	B. I. Rankin, Commercial Secretary for Canada	Gresham Assurance House, Mint Road, Bombay	*Mail:* P.O. Box 886 *Cable:* Canadian *Tel.:* 20672
Indonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Tanah Abang Timur 2, Djakarta	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Gambir 499
Ireland	T. G. Major, Commercial Counsellor	Canadian Embassy, 66 Upper O'Connell St., Dublin	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 44251
Italy Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, Rome	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 846-842
Italy	C. F. Wilson, Agricultural Counsellor		
Italy	M. S. Strong, Commercial Secretary (Fisheries)		
Jamaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, Kingston	*Mail:* P.O. Box 225 *Cable:* Canadian *Tel.:* 2858
Jamaica	E. M. Gosse, Canadian Trade Commissioner (Fisheries)		
Japan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy, Tokyo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 48-4116
Lebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, Beirut	*Mail:* Boîte Postale 2300 *Cable:* Canadian
Mexico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, Mexico, D.F.	*Mail:* Apartado 126-Bis *Cable:* Canadian *Tel.:* 36-27-90
Netherlands	Commercial Secretary	Canadian Embassy, Sophialaan 1-A, The Hague	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 18-51-06
Netherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
New Zealand Fiji, Western Samoa	L. S. Glass, Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., Wellington	*Mail:* P.O. Box 1660 *Cable:* Canadian *Tel.:* 70-644
Norway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, Oslo	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-30-80

Territory	Officer	City Address	Mail and Cables, Office Telephone
Pakistan Afghanistan, Iran	A. P. Bissonnet, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, Indonesia, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	†K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	†A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, Liverpool	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Central 0625
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United States Delaware, Maryland, Virginia, West Virginia	†R. G. C. Smith, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., Washington, 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General of Canada and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul of Canada and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	G. S. Patterson, Consul General of Canada	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	D. S. Cole, Consul General of Canada	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, Chicago 6	*Mail:* (City Address) *Cable:* Canadian *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul of Canada and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	Leslie G. Chance, Consul General of Canada	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Cable:* Canadian *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul of Canada and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, New Orleans	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
United States (Northern California, Montana, Oregon, Idaho, Washington, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	C. C. Eberts, Consul General of Canada	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Cable:* Canadian *Tel.:* SUtter 1-3039
Uruguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Montevideo	*Mail:* Casilla Postal 852
Venezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 33 6 *Cable:* Canadian *Tel.:* 55818
Venezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01846.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Sept. 24*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1309	
		Basic buying	·1964	
		Preferential selling	·1964	(1)
		Basic selling	·1309	
		Free	·07068	
Austria	Schilling		·03776	
Australia	Pound		2·2010	
Belgium Luxembourg & Belgian Dependencies	Franc		·01971	
Bolivia	Boliviano	Official	·00517	
British West Indies	Dollar		·5732	(3)
	Pound		2·7513	(4)
	Dollar	Brit. Honduras	·6878	
Brazil	Cruzeiro	Official	·05307	tax 8%
		Free	·02509	(2)
Burma	Kyat		·2062	
Ceylon	Rupee		·2063	
Chile	Peso		·00893	
Colombia	Peso	Basic	·3927	
Costa Rica	Colon	Official	·1749	(5)
		Free	·1479	*
Cuba	Peso		·9819	tax 2%
Czechoslovakia	Koruna		·1364	
Denmark	Krone		·1422	
Dominican Republic	Peso		·9819	
Ecuador	Sucre	Official	·06546	(6)
		Free	·05685	
Egypt	Pound		2·8195	
Fiji	Pound		2·4786	
Finland	Markka		·00427	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01544	
Germany	D Mark		·2338	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9819	
Haiti	Gourde		·1964	
Honduras	Lempira		·4909	
Hong Kong	Dollar	Free	·1637	*Sept. 18
Iceland	Krona	Official	·06029	
		Special buying	·04642	
		Special selling	·03740	
India	Rupee		·2063	
Indonesia	Rupiah	Basic	·08613	(7)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Sept. 24	Notes (See below)
Iran	Rial	Certificate I	·03045	*
		Certificate II	·00979	*
Iraq	Dinar		2·7492	
Ireland	Pound		2·7512	
Israel	Pound	Basic	2·7492	
		Special	1·3746	(8)
		Investment	·9819	
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·3012	
Mexico	Peso		·1135	
Netherlands	Guilder		·2584	
Netherlands Antilles	Guilder		·5206	
New Zealand	Pound		2·7512	
Nicaragua	Cordoba	Effective buying	·1488	(9)
		Official selling	·1393	
		With Surcharge I	·1220	
		With Surcharge II	·09770	
Norway	Krone		·1375	
Pakistan	Rupee		·2968	
Panama	Balboa		·9819	
Paraguay	Guarani	Basic	·06546	(1)
		With Surcharge I	·04676	(10)
		With Surcharge II	·03273	
Peru	Sol	Certificate	·05569	
Philippines	Peso		·4909	tax 17% (2)
Portugal	Escudo		·03427	
El Salvador	Colon		·3927	
Singapore & Malaya	Straits dollar		·3210	
South Africa (Union of)	Pound		2·7512	
Spain & Dependencies	Peseta	Basic buying	·04483	
		Basic selling	·08751	
		Basic commercial selling	·05978	(1)
		Free	·02492	
Sweden	Krona		·1898	
Switzerland	Franc		·2291	
Syria	Pound	Free	·2764	*Aug. 14
Thailand	Baht	Official	·07855	(1)
		Free	·05551	*July 31
Turkey	Lira		·3507	
United Kingdom	Pound		2·7513	
United States	Dollar		·9819	
Uruguay	Peso	Official	·6464	
		Basic buying	·5516	
		Special buying	·4178	(1)
		Basic selling	·5168	
		Special selling	·4008	
Venezuela	Bolivar		·2931	(11)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Israel: An additional effective rate of 1.80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
9. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
10. Paraguay: Basic rate applies to most Paraguayan exports.
11. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

he pressure of business . . .

. . keeps increasing. Caught up in the competitive whirl, we seem o have too many jobs and too little time. One of the things that suffers is our reading. Most of us have to put it aside, to be taken up again when we can spare a moment between more pressing duties.

And yet, paradoxically, the greater the pressure, the more we should read. Business success depends on a constant flow of information — market reports, the latest trade and currency regulations, what others are doing and what you might do. Information that's published in an overwhelming number of books, newspapers and magazines.

It's a problem of selection — where to find authoritative information on business abroad in compact, readable form. Many Canadian businessmen are solving the problem, and easing the pressure, by reading *Foreign Trade* every week.

foreign trade

OCTOBER 10, 1953

How to Sell in the United States (page 2)

foreign trade

VOL. 14 OTTAWA, OCTOBER 10, 1953 NO. 354

ER . . . Are Canadian acturers really making l-out effort to sell to e like these, living next o us in that great con- market, the United ? For a dynamic an- o this question and a am of action, please page 2.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

How to Sell in the United States

A veteran Trade Commissioner draws on his own experience in suggesting how Canadian manufacturers of consumer goods can crack the U.S. market and expand their sales.

NEW YORK—About a year ago I ventured to call the attention of Canadian exporters, both active and potential, to the practically untapped market in the United States for Canadian manufactured products of the consumer type.

I pointed out that Canada is already getting about all the business that can be expected in the bulk commodities, raw and semi-manufactured, required to keep the wheels of U.S. industry turning. I also emphasized that little or no "missionary" work on the part of the Trade Commissioner Service was necessary in this particular field, because the Americans are already well aware of the strategic importance of Canada as a storehouse of raw materials.

U.S. Market Neglected

The same is not true, however, of Canadian manufactured goods, which I sometimes consider the Cinderella in our export story. Our American friends know little or nothing of what Canada has to offer in consumer goods, mainly because, in the United States, the wholesalers, distributors, and retailers are accustomed to *being sold*. Over the years they have never been compelled to come to Canada or go to any other country looking for merchandise. Overseas suppliers—competitors of Canada—have catered to the demands of the market and to the eccentricities of individual tastes in the United States, a market of first importance, because the standard of living is higher there and the average person can buy more freely.

With this tremendous field of opportunity so near, it is hard to understand why some Canadian firms are so unconcerned and non-appreciative of this market, which still awaits their united and serious attention.

Calls for Salesmanship

I do not wish to imply that the American market is there, in all cases, simply for the asking, nor that it is easier to develop export sales in the United States than to build up a domestic business. But keeping in mind the currency and import restrictions that still beset Canadians in selling to old and new customers alike in most other countries—even in the Commonwealth and more especially in the United Kingdom—the United States market, which is free of all such artificial barriers, can be regarded as the easiest outlet for Canadian-made products that remains open to us today. This holds true even though, in certain cases, the exporter may find after careful investigation that the U.S. tariff is too high to hurdle. But this exception to the rule should not dampen his enthusiasm.

Selling in the United States is not easy but if we put the same time, effort and expense into developing this U.S. market as we do into finding and expanding our domestic business, we will gradually succeed in establishing various lines of consumer goods. If we continue to venture and pay sufficient attention to the market, once established, in the long run we will succeed.

Ideal Testing Ground

Last year I pointed out that the mid-Atlantic region, which includes the states of New York, New Jersey, Pennsylvania and Connecticut (all of which fall within the purview of the Canadian Trade Commissioner's office in New York) is the most concentrated market area in the United States and accounts for over one-fifth of total consumer sales. Put more simply, in the territory attached to our New York office there are 31 million consumers and their yearly purchases total $29 billion. The New York area is thus a good proving-ground for Canadian lines and in particular the cities of Rochester and Buffalo are ideal channels through which to enter the market.

A few weeks ago I had the opportunity of spending several days in Buffalo and earlier I investigated the possibilities of Rochester and Syracuse as an entrepôt for the distribution of Canadian products. I found the first two cities ideal for experimental selling and discovered also that one of the largest U.S. national advertising firms considers Rochester, which is so conveniently close to Canada, one of the two best American cities to test out a new line of merchandise, whether it be domestic or imported. In other words, the theory is that anything, but particularly style-wear and clothing, that proves popular and sells successfully in Rochester will sell equally well in any other city in the central and eastern half of the United States.

Prospecting in Buffalo

When I toured the city and called on the merchandise managers of all the leading stores, I soon discovered that Rochester has a warm feeling for Canadians in general and especially for the Canadian dollars which they are getting from Canadian tourists and visitors who flock there on every national holiday. And the same situation exists in Buffalo.

The Canadian salesman who arrives in Rochester or Buffalo to introduce his line of merchandise will find that, as a result, his task has already been made easier. He will have little difficulty in displaying his samples to the buyers or merchandise managers in any or all of the leading stores, and if the goods are attractive and competitive in price, he will succeed in opening up a few new accounts.

It was almost unbelievable but nevertheless true that in Buffalo, without exception, every department store manager asserted that he had yet to receive a call from the sales representative of any Canadian manufacturer.

The following market observations, the result of my discussions with merchandise managers in Buffalo recently, will prove my point—that there are good prospects for selling Canadian goods in the Buffalo area if Canadian manufacturers will make every effort to establish their lines.

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A. Large specialty store on Main Street. Will be pleased to receive travelling salesmen from Canada, although store buys about 75 per cent of its merchandise through a buying firm in New York. It was suggested that it would be well for our ladies' dress, costume, and sportswear firms to submit samples to this New York buying house.

B. Head office of a large chain grocery store. I met the vice-president, who told me they have 132 stores in the United States and opened three new ones during the last month. They are always interested in Canadian offerings.

C. Large department store on Main Street. They are always glad of the opportunity to look over Canadian samples—in fact, have bought ladies' coats and sports shirts from a Canadian manufacturer and would like to see samples of Canadian ski outfits like those sold in New York.

D. Department store on Main Street. I interviewed merchandise manager and found him very friendly. He asked me to send him a Canadian Trade Index and would be glad to welcome Canadian salesmen handling higher quality lines. He buys 75 per cent of his requirements from a buying syndicate in New York and suggested we contact them.

E. A high-class department store on Main Street. I met the president, but merchandise manager was absent in New York. They are members of a buying house in New York City. They have just taken a new line of Canadian men's shoes and after-ski boots and may try our ski suits. The president also suggested that we work closely with their buying house in New York.

F. Another department store on Main Street. I discussed my problem with the secretary-treasurer and he introduced me to the merchandise manager. They buy 90 per cent of their requirements from another buying house in New York and suggested that we have our salesmen see them. They were very friendly but prefer to buy in New York.

G. Department store on Main Street. The merchandise manager explained that they buy nearly everything through a buying syndicate in New York. At the same time, they would be glad to see any salesmen from Canada who cared to call on them in Buffalo.

H. Department store selling goods in the medium-price to low-price range. The only Canadian merchandise they sell is wool socks which they have handled for some time. They would be pleased to see any salesmen from Canada at any time.

I. The Secretary, Retail Merchants Association of Buffalo. He explained that they have a membership of 34 stores and operate their own credit bureau with a staff of 50 clerks. They would be glad to assist any Canadian sales representatives and introduce them to their members.

J. Department store owned by a New York firm.. They suggested seeing their people in New York.

Most of these stores do the largest part of their buying in New York. Nevertheless, it is a good idea to call on them and submit samples. They may buy direct or if not, if they like the look of the Canadian merchandise they will recommend it to their particular buying house in New York. They will also suggest that the New York firm see the samples and have them put on view for all other members of the buying syndicate so that orders can be placed with the Canadian manufacturer.

When one considers that Buffalo is only across the bridge from Fort Erie, Ontario, a distance perhaps of one mile, it is most surprising that some of our manufacturers in Ontario—such as makers of boots and shoes, men's and women's sportswear, woollen socks, sporting goods, food items, tinned meats, etc., boats and canoes, handicrafts and many other goods, have never apparently thought it worth-while to sample the trade or investigate the possibilities of this market right on their doorstep.

Canada prides herself on being the world's third largest exporter and yet her manufacturers have done little to cultivate the great consumer market of a country lying along their border which has the highest standard of living in the world.

Aggressive Selling Needed

Some of our old-established exporters have been shipping to the far-off corners of the earth for many years. They found buyers and developed this business when conditions of trade were much easier than they are today—and they may now be struggling to retain their foothold in some of these markets in the face of embargoes and dollar shortages or import restrictions.

What we need in Canada is more of that aggressive, alert, "fireball" type of salesmanship which characterizes merchandising in the United States and which the Americans use to good effect in Canada to sell their own merchandise.

The salesmen whom we send down to the United States must be technically familiar with their products, have plenty of sales experience and be able to stand up and tell potential buyers that these Canadian products are equal in quality to anything produced elsewhere and are worth every cent which is asked for them because of the fine workmanship and materials.

Our manufacturers proved themselves during and since the war. Canadian production methods and processes are better than many and equal to most other industrial countries. We must train our salesmen to go forth with courage and preach the gospel of Canadian consumer goods for those who want the best—not only in the United States but everywhere.

—A. E. Bryan
Deputy Consul General of Canada
and Trade Commissioner

Canadian businessmen interested in obtaining the names and addresses of the stores and buying syndicates mentioned in this article should write to Mr. Bryan at: Canadian Consulate General, 620 Fifth Avenue, New York—Editor.

Commodity Notes

AUSTRALIA

Pig Iron—Pig iron production at Wundowie was valued at £55,740 during the three months, against £56,910 in the same quarter of 1952, but shipments of iron ore from Cockatoo Island, Yampi Sound, by Australian Iron and Steel Ltd. rose from 10,074 to 174,583 tons. The first export shipment of charcoal iron from Wundowie was reported during the last week of June when 100 tons were sent to Indonesia. Shipments of pig iron have also been made recently from Western Australia to Hong Kong and to the Eastern States of Australia. The iron is finding a market in the Eastern States for use in high-grade castings—Melbourne, Sept. 14.

BRAZIL

Petroleum—According to a press report, The National Petroleum Council has given the "Companhia Petrolífera da Amazonia" permission to install a refinery in Manáus, State of Amazonas, with a refining capacity of 5,000 barrels a day. The company will refine Peruvian petroleum and has already signed a contract with "Ganso Azul" of Peru. It owns a fleet of oil tankers and is negotiating with French and U.S. firms for the purchase of refining equipment—Rio de Janeiro, Sept. 16.

INDIA

Aluminum Conductors—A standard specification for hard-drawn standard aluminum conductors and steel-cored aluminum conductors for overhead power transmissions has been issued by the Indian Standards Institution. An important feature of this specification is the inclusion of all-aluminum conductors. This is expected to encourage the use of an indigenous metal during a world shortage of electrolytic copper, an entirely imported material which is more generally used for this purpose—New Delhi, Sept. 12.

JAMAICA

Sugar—Jamaica's 21 sugar mills had produced a record 330,237 tons from 136,430 acres under cane when grinding was completed on August 28. Of this, the two West Indies Sugar Company mills were responsible for 122,763 tons. Local requirements are placed at 62,000 tons, leaving a surplus for export of 268,237 tons. Of this, 188,438 tons come under the negotiated price quota. Up to August 31, Canada had taken 102,353 tons from the present crop. The 1954

preliminary estimate is placed at 340,875 tons from an acreage increase of about 14,000 acres. The total crop in 1952 was 265,872 tons—Kingston, Sept. 15.

Bananas—For the first time since 1939 Jamaica has exported more than one million stems of bananas during one month. In July, 1,109,625 stems were exported, bringing the total for the first seven months of the year to 5,468,554, with an approximate value of £$2\frac{1}{2}$ million—Kingston, Sept. 15.

JAPAN

Canned Crab—A Japanese cannery ship, operated as a joint venture by two Tokyo companies, has returned with a catch of nearly 58,500 cases of canned crab, 8,000 cases over the target catch. This was the first voyage of this type in 14 years. The ship spent 140 days in North Pacific waters—Tokyo, Sept. 15.

NORWAY

Timber—More than seven million cubic metres of timber were produced from the Norwegian forests during the 1952-53 season; the amount planned was 6·5 million cubic metres. A new market has been found for Norwegian timber in West Germany which has signed a contract for 40,000 cubic metres of pit props to a value of three million kroner—Oslo, Sept. 18.

SOUTH AFRICA

Wool—The return on the wool clip during the 1952-53 season totalled almost £60·5 million, the second largest in the industry's history and £11·5 million more than in the previous year. Wool sales totalled 256·8 million pounds or the heaviest clip since 1940-41. The average price for the season, 56·55 pence per pound, was the second highest on record and compared with 48·14 pence the previous year, 95·79 pence in 1950-51 and 6·53 pence in 1930-31—Cape Town, Sept. 16.

Tobacco—South Africa is at last becoming a tobacco-exporting country, and in the process is banishing the spectre of over-production which has haunted its 20,000 tobacco farmers. During the past year South Africa exported nearly 4·7 million lb. of leaf. This is easily a record, although it seems small compared with the 58 million lb. that Southern Rhodesia, for instance, sent to Britain last year—Johannesburg, Sept. 14.

UNITED STATES

Paint—A large Cleveland paint firm has announced new plant expansion programs in Latin America. New facilities will double output in their Mexican factory, and a new plant is being built in Valencia, Venezuela. The latter is the Cleveland firm's first factory in South America and will be built in co-operation with a Latin American firm—Detroit, Sept. 28.

78618—3

Let's Talk Trade Fair . . .

Thinking of joining the parade of Canadian companies who find the CITF a first-class sales medium? You should begin planning now, if you want your Trade Fair investment to pay dividends.

OTTAWA—Eight months before the curtain goes up on the Seventh Canadian International Trade Fair—on May 31, 1954—the producers, the directors and the backstage crew are working as hard as for any Broadway stage success. Producing the CITF calls for skill in management and careful co-ordination; last year, for example, the Fair featured 1,474 exhibits, covering about 264 thousand square feet and drawn from 27 countries. Its patrons—to carry on the metaphor—comprised nearly 28 thousand business visitors from 59 different countries, ranging from Argentina to Switzerland and Venezuela.

But it isn't only the producers and the backstagers who must begin preparing early for the CITF's annual appearance. The supporting cast—the hundreds of companies that will be exhibiting—must do their planning well in advance if the Fair is to be a success. And it's not too soon to be taking the first steps.

The many Canadian companies that have exhibited at several Fairs can draw on past experience in shaping their 1954 plans. They know how the Fair operates, what type of people it attracts, what kind of displays win attention. But the newcomer may hesitate to take the plunge. Before making the decision to exhibit, a company should discuss displaying products that meet the buyers' three primary requirements—good quality, a competitive price, and reasonably fast delivery. The CITF is primarily a place to transact business; it is open to the public on three days only and it seldom draws mere sightseers. This means that the first-time exhibitor must come equipped to fill orders.

Reserve Early

The CITF veterans know that the displays that pay dividends result from careful planning. Once the decision to participate is made, the next question is reserving space. This has grown more important now that the Fair has become an established institution. Satisfied exhibitors are coming back year after year—and they reserve early. In fact, by September 23rd some 85,120 square feet had already been contracted for, compared with 60,900 square feet at the end of September last year.

The early bird—as early birds should—gets the proverbial reward. An exhibitor receives one point for each month his application is in before the 28th of October. Old-timers receive four points for every year they have exhibited. When the Space Committee meets to allocate the space, they take the accumulated points into account. Those with a fair number of points get first consideration and requests for a specific location may well be granted.

The early bird profits, but the latecomer risks losing out altogether. The CITF Administration may have to refuse new applicants after the reservations reach a certain total. Last year applications for space in the machine tool section had to be cut off many weeks before the closing date and requests for about 20,000 square feet of space just couldn't be filled.

Intending exhibitors should apply to the Administrator, Canadian International Trade Fair, Exhibition Grounds, Toronto, before February 1, 1954, and with the application must send a deposit of 25 per cent of the charge. The rate is $2.50 a square foot for inside space, with 120 square feet the minimum. For outside space, it is 50 cents a square foot, with the minimum 1,050 square feet.

How much space does an exhibitor need? That depends on the products he wants to display. The Waterford glass from Ireland that was a feature of last year's Fair was shown to advantage in a small booth; the huge 60-ton horizontal boring mill obviously demanded plenty of elbow room. It's wise to reserve enough space to show off your products without crowding, keeping in mind that the display should be visible to as many people as possible at one time. Saving on space usually proves to be a poor economy. (The Administration naturally reserves the right to reduce space if necessary.)

A Word on Design

The matter of space leads directly to the next point—design. The Trade Fair brings together displays from over 25 countries and many of the overseas exhibits set a high standard. Last year, for example, the Government of India booths all used white wood gateways of a traditional Indian pattern, and pale mauve display stands. The Irish booths had display cases of light-coloured wood and etchings on plastic as a decorative note. Canadian exhibits rub shoulders with displays like these from overseas and should be able to compete successfully for the visitor's notice.

The machinery displays naturally do not demand the same artistic treatment as the consumer goods. But even here, streamlined, functional design and ingenious methods of demonstrating the product have a place.

To Stage a Successful CITF Exhibit . . .

- *Decide initially what products you want to display.*
- *Reserve your space immediately—and make sure that you have enough.*
- *Pay careful attention to designing the booth and, if necessary, seek expert advice.*
- *Institute a training project for your booth attendants.*
- *Co-operate with the CITF Administration on publicity and do some promotion for your own exhibit.*

78618—3½

Exhibitors of an office machine that incorporates an unbreakable magnetic tape demonstrated this in an unusual way. Arranged on a table and attached to an electric outlet were two plush elephants, who constantly pulled a piece of the tape back and forth to advertise its strength. The outdoor section, housing materials-handling and construction equipment, provided many examples of ingenuity in display.

Planning Takes Time

It's not a matter of being elaborate or "arty" but of giving thought to the design months before the Fair opens. It means studying how to display the product to best advantage and how to play up the features that will catch the potential buyer's eye. And planning and building an exhibit take time. An American who specializes in the organizing and promoting of industrial expositions makes a pertinent comment. "It is remarkable," he says, "how many companies will wait up to the last few days before the show is scheduled to open and hurriedly assemble the material they require. . . Literally scores of companies do this that would not for a moment dream of paying several hundred dollars for a page in a business publication and telling the publication that there hadn't been time to prepare artwork and copy—'So let it go at using the page just for our company's name and address' ".

Methods of getting the exhibit designed vary from company to company, but many now rely on a professional designer. On request, the CITF Administration supplies a list of the members of the Canadian Display Design and Builders Association. It does not recommend any one firm and exhibitors are not obligated to employ any of them. The only stipulation is that, for mechanical and carpentry work in setting up the display at the Fair, exhibitors use union men.

Men in Possession

Once the exhibitor has reserved his space and planned his display, another problem crops up—securing and training the booth attendants. Glen Bannerman, director of the Canadian Government Exhibition Commission, remarks that six years' experience with the CITF has shown what a vital part these booth attendants play.

The Trade Fair isn't designed to entertain or even instruct the public —it's a gigantic salesroom. As it has become better known and has proved its value, it attracts more and more senior executives keen to compare values and to buy. One firm, for example, sent eight of its men to examine an automatic capsuling machine made in Denmark. When people like these visit a display, they want to talk with someone who knows the goods thoroughly and can quote firm prices and delivery dates. The president of one firm making wood-working equipment mans his booth himself and finds that it pays.

Untrained or inattentive attendants make a most unfavourable impression. Veteran exhibitors suggest that some top sales people, such as the general sales manager or the export manager, be on hand to meet customers. Firms showing machinery or machine tools should supply enough technicians to demonstrate the machine efficiently and continuously.

Among the new exhibitors at last year's Trade Fair was the Fisheries Council of Canada. In this attractively designed stand, the Council displayed all types of fresh, frozen, canned and other processed fish and also fish by-products, representing the output of some 35 firms.

The fact that the Fair attracts visitors from so many countries sometimes worries the newcomer. How, he wonders, can he handle language difficulties? It is naturally helpful to have someone in your booth who speaks two or more languages but it isn't essential. The CITF provides competent interpreters when they are needed.

Publicity Has a Place

The application for space at the CITF includes a section for a brief description of the products which the exhibitor will be showing. It is important that this space be filled in, as the information given becomes the listing in the Trade Fair catalogue, the buyer's handbook and guide. The CITF Administration also likes to receive interesting stories about products to be exhibited and good, clear glossy prints. The Publicity Section may be able to use text and pictures in advance stories on the Fair for the business and trade press. But material both for the catalogue and for promotion must reach Toronto early.

The CITF does what it can to rouse interest among potential buyers, but the exhibitor should also take a hand. There are several ways of attracting visitors with a potential interest in your products. One is sending to a list of prospects an invitation to visit your stand, complete with directions on how to find it. Another is advertising in the business and trade press, telling your friends that you are participating and asking them to look you up.

What about promotion pieces to hand out at the Fair? At Fairs open to the general public, most exhibitors lay in a stock of inexpensive pamphlets known as "throwaways". But the CITF has few casual

visitors. Nevertheless, many companies prepare sales literature to be handed out. The German Exhibitors Committee, for example, last year had an attractive booklet listing alphabetically all the German exhibitors at the CITF, the products each firm exhibited, other products which it manufactures, and the address of the Canadian representative. Some companies prefer to have the interested visitor sign a card; later, sales literature is sent to his home where he may study it at his leisure.

Plans Are Maturing

At the moment, plans for next year's Fair have not all crystallized, though the Administration has already announced some new features. One innovation is the organizing of an aircraft industry section, in which aircraft, aircraft engines, instruments and parts produced in Canada will be on display. The day after the Fair officially closes, the National Air Show authorities will stage the annual air show at the Exhibition Grounds.

In the Fair's early years, there was a tendency to stress capital goods because of the major development projects going forward in Canada and many other countries. Now consumer goods are coming to the fore; at the 1953 Fair, about 60 per cent of the displays were of capital goods and 40 per cent of consumer goods. Companies whose products fall into either category can now regard the Fair as a tested sales medium.

Another fact quarried from the 1953 CITF statistics should encourage Canadian participants—the growing attention which the Fair gets from United States buyers. Last June, 2,182 U.S. businessmen, from forty states, visited the CITF and many Canadian exhibitors sold to these American customers. In addition, several of the Latin American countries with dollars to spend—such as Colombia, Venezuela and Mexico—sent buyers to the Fair.

If you want to join the list of companies who have made the Canadian International Trade Fair a part of their successful sales programs, we suggest that you make your plans now. Decide what space you will need, make your reservation, plan your exhibit and your publicity, and block out a training program for your booth attendants. You'll be ensuring the success of your own investment—and helping the Fair Administration to make the Seventh CITF the best one yet.

—O. Mary Hill
Editor, "Foreign Trade"

For Your Information . . .

The Directories listed were last published in these issues:

Mexico

Cotton Growers Search for Markets

MEXICO, D.F.—The growing of raw cotton has, within a comparatively short time, become an important phase of Mexican agriculture. It employs about 150 thousand persons permanently, apart from migratory labour, and keeps over 280 ginning mills busy. Today Mexico stands fifth as a raw cotton producer and the industry has brought prosperity to many sections of the country which were once rather backward.

Today Mexico is searching for more and steadier markets abroad for its cotton crop. Foreign sales of raw cotton already represent about one-fifth of total Mexican exports and production could be doubled easily and quickly. But because of the uncertainties of the world market, and because the drought has reduced previous estimates of the 1953-54 crop by 350 thousand bales, growers are postponing a decision on plans for expansion.

Yields and Markets

Cotton is grown in seventeen states of Mexico. Acreage planted rose to 2,319,000 in the 1952-53 crop year and the yield was 1,227,500 bales. A crop of 1·25 million bales was expected for the current year but it is doubtful whether much more than one million bales will be gathered because of unfavourable weather.

Probable yields in 1953-54 in the chief growing areas are:

Region	State	1952-53 Crop		Estimated 1953-54 Crop	
Matamoros	Tamaulipas	209,000	bales	135,000	bales
Nuevo Laredo	Tamaulipas	5,000	"	5,000	"
Anahuac	Nuevo Leon	10,500	"	500	"
Monterrey	Nuevo Leon	15,500	"	12,000	"
Laguna	Coahuila/Durango	255,500	"	250,000	"
Delicias	Chihuahua	95,000	"	95,000	"
Juarez	Chihuahua	35,500	"	29,250	"
Sinaloa/Sonora	Sinaloa/Sonora	252,500	"	238,500	"
Colima	Colima	6,500	"	6,500	"
Mexicali	Baja California	335,500	"	280,000	"
Others	Others	7,000	"	6,000	"
	Totals	1,227,500	"	1,057,750	"

Large as it is, the Mexican cotton textile industry consumes only 350 thousand bales a year. Exports, which were negligible until 1947-48, have since increased—to a value of 1,112·4 million pesos in 1951 and 1,187·3 million in 1952, or 20·4 per cent and 23 per cent respectively of the nation's total export trade.

The Government is not satisfied, however, with the conduct of this export trade. The National Bank of Foreign Commerce, an official agency, complained this month that too large a proportion of sales are effected by re-exporting from the United States. Demanding the introduction of "more effective methods of direct selling", (in which barter deals may

figure prominently) the Bank observed that "since cotton firms operating in Mexico in their great majority are the same companies that export U.S. cotton, it is logical that they will try to sell the U.S. product and only under the pressure of price considerations sell Mexican fibre".

The fact that so many countries buy Mexican cotton through the United States also makes it difficult for Mexico to keep accurate records of foreign trade. Canada has bought Mexican fibre somewhat erratically in recent years: $19·3 million worth in 1950, less than a million in 1951, and $9·1 million in 1952. Even so, Mexican statistics show sales to Canada of only $300 thousand in 1950 and 1951, and of less than a million last year. Chief buyers of a total of 959 thousand bales in 1950-51 and 912,500 bales in 1951-52 were, according to the National Bank of Foreign Commerce:

	1950-51	1951-52
	(in thousand bales)	
Belgium	132·1	41·8
France	33·9	220·0
Japan	330·9	11·2
United Kingdom	170·0	22·5
Italy	56·7	62·8
Germany	35·4	39·4

Altogether 29 countries, including several in Eastern Europe, have bought Mexican cotton in recent years. It is probable that, insofar as Mexican growers, the banks and the Government are able to exercise control, buyers will be invited to purchase directly and barter deals will be made easy. This, they seem to feel, would ease the sales problem.

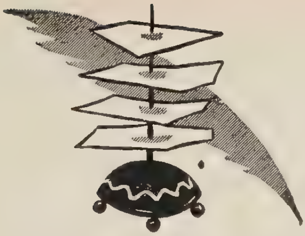
—M. T. Stewart
Commercial Counsellor for Canada

Distilling Story

BELFAST—The production of patent grain whisky, formerly carried on in Northern Ireland by four distilleries which are now closed, is to be resumed by a firm of Coleraine distillers. This firm is installing new plant and expects to be operating early in October. Patent grain whisky is used for extending or blending with malt or pot still whisky and supplies of it are at present imported from the Republic of Ireland. Formerly made from Indian maize, this whisky will now be produced from barley and will be sold to Northern Ireland's 30 to 40 wholesale spirit merchants and blending houses.

The new plant at Coleraine, costing £50,000, will be the largest of its kind in Ireland. Most of the machinery and equipment was made in Scotland. The distillery will continue its seasonal production of malt whisky, but production of the patent grain whisky will be continuous and will at least treble the output. It is hoped to export part of the production to Great Britain and the Republic of Ireland.

At the present time Northern Ireland has four distilleries. The new venture, regarded as one of the most important in the local spirit trade for many years, is expected to double the country's whisky production and considerably increase its exports.



General Notes

AUSTRALIA

New Steel Plant—A steel rolling mill which is to be established at Kwinana, near Fremantle, W.A., by the Broken Hill Proprietary Co. Limited will have a production capacity of about 50,000 tons a year. The rolling mill will be fed by billets produced at the steel works in New South Wales. West Australian requirements of rolled steel products, not including sheets and steel wire, is about 50,000 tons a year.

A steel fence post plant, expected to be in operation before the end of the year, will have an initial capacity of 100 tons a week, but will be able to produce more if there is a demand. The first equipment to be installed will be to make Y-bar fence posts, and this plant will be supplied initially with Y-bars rolled at the Newcastle Steel Works—Melbourne, Sept. 12.

AUSTRIA

Communications Censorship Abolished—The occupying powers in Austria have abolished, effective September 1, the censorship over internal and external communications by post, telegraph and telephone. However, supervision over the central telephone system at the Place Schiller in Vienna will continue—Berne, Sept. 18.

GREECE

Airmail Postage Rate to Canada Increased—The airmail postage surcharge over the surface mail rate to Canada from Greece has been increased, effective July 1st, from 1,300 to 2,300 drachmas per five grams. There is no lower rate for printed matter or other classes of mail. Because of the heavy rate of the recent drachma devaluation, this new rate is actually one cent lower than the former one, at 7·7 cents per five grams, when converted into the dollar equivalent. For the first time a differential rate between Canada and the U.S. has been set: the rate to the U.S. and possessions is 2,000 drachmas per five grams—Athens, Sept. 19.

ISRAEL

Canadians Get Drilling Licences—Israel recently granted 31 oil prospecting licences, covering an area of 2·13 million acres (42·5 per cent of the area of the country), to seven groups, the largest of which is Canadian. Among the four foreign groups are two independent Canadian groups which between them have applied for and received

12 licences covering over 40 per cent of the total area to be surveyed. The Oil Law provides for three types of permits: those granting preliminary geological research but no deep drilling; those granting surveys and drilling rights, and mining leases to be issued if oil is found, granting an exclusive right to exploit the oil in a specified area—Athens, Sept. 19.

SOUTH AFRICA

Diamond Export Regulation Relaxed—The South African Treasury has announced that diamond exporters are no longer required to obtain payment in hard currency for at least 40 per cent of the total value of their diamond exports during each quarter of the year. This stipulation was originally imposed in order to check the loss of dollars to the Union through indirect shipments of diamonds to the United States against payment in "cheap sterling". "In consequence of the appreciation of sterling on the free market, this traffic has largely disappeared and the Treasury deems it possible to suspend this stipulation", the announcement says—Johannesburg, Sept. 14.

UNITED KINGDOM

Overseas Trade Declines—United Kingdom exports in August, which included only 25 working days and was affected by the main holiday season, were valued at £207 million, compared with £242 million in July. Imports amounted to £249 million against £293 million in July. The best feature of the returns was the drop in the excess of imports to £42 million in August from £50 million in July.

Exports to Canada declined to £11·8 million from the July total of £14·9 million, and those to the United States to £12·7 million from £15·2 million—London, Sept. 24.

UNITED STATES

Maine Manganese Deposits Being Tested—Deposits of low-grade manganese in the State of Maine will be put through a pilot plant test with the hope that a commercially feasible product suitable for steel-making will result. There are large quantities of ore in Aroostook County and if a satisfactory process for treating it can be developed this country's dependence on foreign sources of supply can be substantially reduced. At present, 90 per cent of U.S. manganese supplies come from abroad—Boston, Sept. 25.

WEST GERMANY

Future Trading in Coffee Permitted—The Government has announced that German coffee firms are now allowed to conclude future trading operations at the New York Coffee Exchange. With the reduction of taxes on coffee which became effective on August 24, the increase in domestic demand will require larger stocks, thereby increasing the risk to coffee importers. Forward transactions in coffee will enable importers to protect against excessive price fluctuations by hedging transactions at the Coffee Exchange—Bonn, Sept. 21.

Canada Makes Industrial Chemicals

Output of industrial chemicals, spurred by expansion during the last war, now has an annual value of $1,950 million, though large quantities are still purchased abroad.

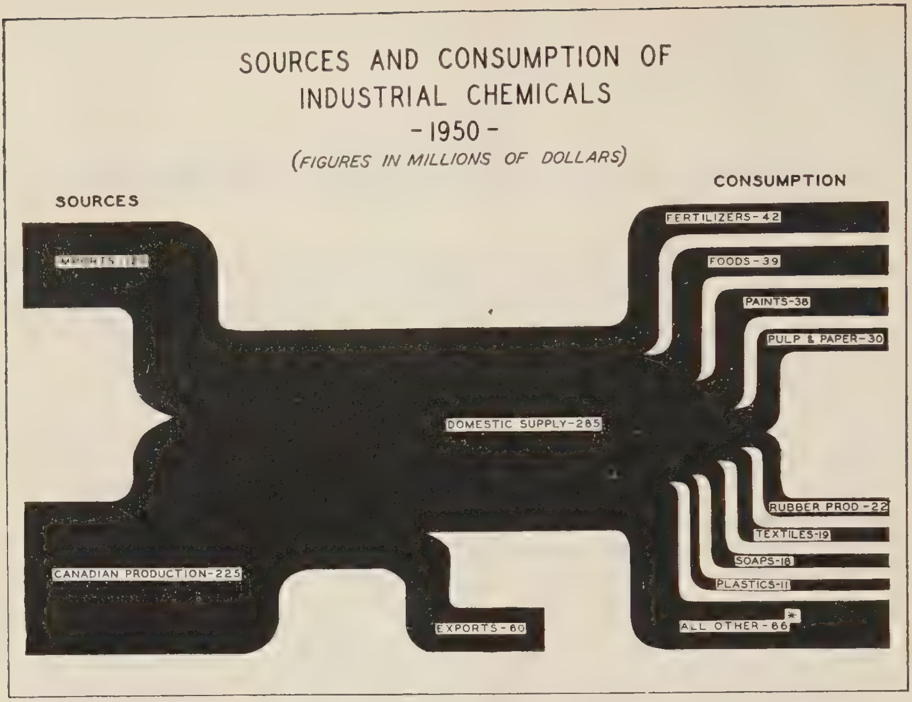
OTTAWA—One of the largest and most rapidly expanding sectors of the Canadian economy is the industrial chemicals industry. Comprising a dozen or so large and well-known manufacturing firms and currently providing employment for more than 10,000 people, it is turning out goods valued at more than $1,950 million a year. Possessed of many unique facilities and bringing a wealth of technical knowledge to bear on many of the problems confronting the other Canadian chemical-using industries, it is also important to Canada's defence production.

Industrial chemicals are, as the name implies, those "heavy" or large-volume chemicals which are used primarily as raw materials in other industries. Derived from naturally occurring inorganic substances with the aid of what were at first rather simple processess, they now encompass a growing number of substances from the vegetable and animal world as well. They include the better known acids, alkalis and salts, industrial gases, and the various elements which, with their sulphides and oxides, are rarely found in nature in the uncombined state. And, particularly since the 1930's, they have come to include many of those versatile hydrocarbons—building blocks if you like—with which much of our new consumer goods manufacturing capacity has been built.

Some Common Characteristics

Sulphuric acid is only one of these industrial chemicals. Others such as muriatic acid, caustic soda, lime, calcium carbide, acetylene, oxygen, and the liquefied petroleum gases are members of this group—all substances which are consumed in considerable volume in the production of such widely used intermediate materials as steel, chemical pulps and primary textiles. They are also used extensively in making an ever-growing list of end-products, ranging from paints to pharmaceuticals and from toilet articles to ornamental plastics.

Industrial chemicals have other common characteristics. They are almost always manufactured in bulk, using processes which are well known the world over, and are usually, as a result of long experience and experimentation, available at relatively low prices. Because of their low unit value, they cannot stand transportation over considerable distances and are frequently manufactured close by the plants which use them, employing locally available raw materials or the by-products of other industries' operations. In Canada, there are numerous examples of the latter, including the acids which are being recovered from smelter gases,



* INCLUDING INVENTORY ACCUMULATION

ECONOMICS AND STATISTICS BRANCH, DEPT. OF DEFENCE PRODUCTION

salts and solvents generated in the production of coke, and a multitude of what are now commonly referred to as petrochemicals from some of the largest oil refineries.

Because the industrial chemicals are essential to such processes as the leaching of ores, the separation of metals by chemical means, the refining of petroleum products, and the preparation of pure cellulose or dissolving pulp, their manufacture has tended to grow with Canada's mining and forest products industries. Some production owes its origin, however, to the demands associated with other main manufacturing industries. The manufacturers of textile fabrics and the leather tanning industries, like the producers of pharmaceuticals and the firms making soaps and insecticides, have sometimes provided the sole market but more frequently they serve only as a supplementary outlet for many of these industrial chemicals.

Backbone of Chemical Industry

Because of their nature and the close relationship which the manufacture of industrial chemicals bears to resources development, their production usually precedes that of the more complex and usually more costly end-product chemicals. This is the main reason why, historically, the acids, alkalis and salts have formed the backbone of Canada's chemical industry. We should not lose sight, however, of the fact that two world wars and the alliance of industrial chemicals and explosives manufacture has greatly stimulated this particular segment of the economy.

Their widespread use might at first appear to be a good reason for taking the nation's consumption of "heavy" chemicals as a useful though

rough measure of industrial development. But this cannot be done. It would be misleading for the simple reason that their domestic disappearance has risen even more rapidly than the index of production not only of the manufacturing industries in general but of the metal and other mineral processing industries in particular. One of the main reasons is that many of the "new" chemical process industries are concerned mainly with the organics, or are engaged in the further processing of other materials, using industrial chemicals as ingredients.

Close study of the statistics shows a physical growth in demand for a wide range of these industrial chemicals—with categories such as the primary plastics, fertilizers, paints and varnishes and pharmaceuticals showing the greatest rate of increase in recent years.

On the supply side, the trends in domestic production and imports are also quite pronounced. For years now, between one-third and one-half of all the industrial chemicals consumed in this country have been bought elsewhere and the long-run tendency apparently has been to remain heavily dependent on foreign sources of supply. Foreign purchases have more than trebled over the last quarter century, but Canadian production for home use has little more than doubled. Canadian exports, meanwhile, have become relatively much more important to domestic producers. Indeed, it is mainly because of this increase in sales outside this country that Canadian plants have been able to keep much of their newly won industrial chemical capacity in operation.

Evidence of these long-term trends in the industrial chemicals is presented below: *

(millions of 1950 dollars)

Period	(A) Domestic Production	(B) Imports	(C) Exports	(D) Domestic Disappearance	Per Cent (B) of (D)	Per Cent (C) of (A)
1926-30 ..	48·1	18·3	13·4	53·0	34·5	27·9
1931-35 ..	30·1	19·1	12·0	37·2	51·3	39·9
1936-40 ..	52·4	26·1	15·5	63·0	41·4	29·6
1941-45 ..	120·8	34·4	47·0	108·2	31·8	38·7
1946-50 ..	112·8	54·6	30·5	136·9	39·8	27·0
1951 ..	159·9	56·4	50·4	165·7	34·0	31·0
1952 ..	160·0	65·0	45·0	180·0	36·1	28·1

The post-Korean expansion program is now having its effect. Canadian production which has already risen sharply since 1950 will be further augmented by the output from entirely new plants which are being rushed to completion across the country. Since some of this new production will also be sold in the United States, exports can also be expected to increase appreciably.

Over the next few years, then, one can expect a reversal in what, until now, has appeared to be the long-term trend in Canada's trade in chemicals. Plants in this country will supply relatively more of our own industrial requirements and exports may again rise to the point where they will exceed imports, at least in volume.

This article, the second in a series of six to appear in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Economics Division of the Department of Defence Production. For the first article, see our October 3rd issue—Editor.

* An attempt has been made in the above table to avoid double counting by deleting certain items from imports and production.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. His itinerary is:

Toronto—October 19-24
Welland—October 26
Hamilton-Brantford—October 27
Sarnia—October 28-29
Winnipeg—November 23
Vancouver—December 1-11

R. P. Bower, Commercial Counsellor for Canada in London, will begin a Canadian tour in Vancouver, October 5-9. His itinerary is:

Edmonton—October 13-14
Calgary—October 15
Regina—October 16
Winnipeg—October 19-20
Niagara Falls—October 22-23
Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, began a tour of Canada in Ottawa, June 29-July 10. His itinerary is:

Vancouver—October 6-19
Victoria—October 20

G. F. G. Hughes, Canadian Government Trade Commissioner in Beirut, completes his tour of Canada in Ottawa, October 13-16.

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, began a tour of Canada in Vancouver and Victoria, September 30-October 5. His itinerary is:

Sarnia—October 13
Windsor: Walkerville—October 14
Toronto—October 15-20
Montreal—October 21-26
Ottawa—October 27-November 4
St. John's (Nfld.)—November 7

B. A. Macdonald, Commercial Counsellor in Bonn, Germany, completes his tour of Canada in Montreal, October 13-17, Toronto, October 19-24, and Ottawa, October 26.

T. J. Monty, Commercial Secretary for Canada in Brussels, Belgium, began his Canadian tour in Montreal, August 24 to September 4. His itinerary is:

Winnipeg—October 13-14
Ottawa—October 16-17

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, begins a tour of Canada in Quebec City on October 5. His itinerary is:

Moncton—October 8
New Glasgow: Trenton—October 9
Halifax—October 14
Saint John—October 16
Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Halifax, Montreal, New Glasgow, Saint John.

Chamber of Commerce—Arvida, Brockville, Calgary, Hamilton, Kingston, London, Niagara Falls, Pembroke, Peterborough, Quebec, Regina, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Edmonton, Moncton, Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Trade and Tariff Regulations

INDIA

New Open General Licence Announced—The Government of India *Gazette* of September 21, 1953, publishes the text of Open General Licence No. 31, which supersedes Open General Licence No. 29, expiring on September 30. The new Open General Licence gives general permission to all persons to import into India from any country in the world (except the Union of South Africa) any goods in an attached schedule, provided that the goods are shipped on through consignment to India on or before September 30, 1954. No new items are added to the schedule of goods under Open General Licence but a number of commodities are removed and made subject to quota.

A Public Notice in the same *Gazette* sets out the import licensing policy for those items which have been deleted from the new Open General Licence. These goods are now subject to individual import licence, which will be issued for the following from the dollar currency areas:

Copper wrought in the following forms, namely: strip, tape foil, highly polished sheets, lithographic sheets, and perforated sheets; brass, bronze and similar alloys unwrought and in ingot form and scrap, also perforated sheets.

Hosiery needles for hosiery machinery and knitting machines; spare parts for agricultural tractors and tractor-drawn agricultural implements; hacksaw blades; certain spare parts for diesel engines; spare parts for power-driven pumps, excluding trailer pumps; thermocouples and pyrometers.

Scientific instruments, apparatus and appliances not made mainly of rubber and of glass; microscopes and accessories, slides and cover glasses.

Sulfathiazol; bismuth citrate preparations; strontium carbonate; strontium nitrate; sodium aluminate; potassium carbonate.

Details of the Open General Licence and Public Notice are available from the International Trade Relations Branch, Department of Trade and Commerce.

WESTERN GERMANY

Customs Duties Suspended—Various changes have been made in the customs tariff of Western Germany since it came into force on October 1, 1951. Many of these changes concern temporary suspen-

sions and reductions of duties for an indefinite period. The most recent changes of this nature were made by a series of decrees issued between July 31 and August 21, 1953.

As a result of these decrees, duties were suspended on crude aluminum for the production of aluminum oxide on a quota basis, on aircraft, propellers, aircraft parts except complete wings and fuselages, aircraft engines, tires and tubes for aircraft of certain dimensions, parachutes, ground flying trainers, and complete unfolded proofs for books.

Duties were temporarily reduced on cortisone, on various types of yarns of wool, artificial textiles and cotton, and on certain kinds of steel plates, sheets, strips and wire.

On the other hand, the reduced rate of 5 per cent ad valorem on certain semi-manufactured copper products was revoked and they are now subject to the full rate of 10 per cent—Bonn, September 14, 1953.

The International Trade Relations Branch, Department of Trade and Commerce, will be pleased to advise about rates of duty on individual goods entering Western Germany.

WESTERN GERMANY

Health Certificates Required for Certain Plants—The German Ministry of Food, Agriculture and Forestry advises that, effective October 1, certain plants and parts of plants will only be admitted into Western Germany if they are accompanied by an official certificate of health complying with detailed requirements. The text of the certificate in the language of the exporting country must be followed by a German text. Although this provision was announced some time ago (see *Foreign Trade* of February 2, 1952), it has not hitherto been enforced.

The following plant products require a health certificate: fresh fruits, including dessert grapes; potatoes; flower bulbs, flower tubers; certain ligneous plants and their parts, including seeds; carnation plants and their cuttings—Bonn, September 23.

A detailed list of goods subject to the above certificates and a sample certificate form may be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Department of Trade and Commerce

Head Office Directory

This directory is intended as a useful reference for the business man who wishes to consult head office personnel on particular problems. Correspondence should be addressed to the heads of branches or divisions. Local government telephone numbers follow each name. (In Ottawa dial 9, followed by the local; when calling from out of town call the Government, 2-8211, and ask for the local only.)

No. 1 Building, 375 Wellington Street*

	Gov. Local
Minister: The Rt. Hon. C. D. Howe, P.C., M.P.	3693
Deputy Minister: Wm. Frederick Bull	6748-2326
Executive Assistant: H. A. Gilbert	2380
Trade Policy Adviser: H. R. Kemp	5151
Associate Deputy Minister: M. W. Sharp	2888-5838
Economic Adviser: O. J. Firestone	4176
Assistant Deputy Minister: Oliver Master	2421
Comptroller-Secretary: Finlay Sim	2262

ECONOMICS DIVISION

Director: V. J. Macklin	5658

TRADE COMMISSIONER SERVICE

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Assistant Director: L. H. Ausman	6800
Area Trade Officers	
Asia and Middle East: J. P. Manion	8286
Commonwealth: Wm. Jones	2144
Europe: K. Nyenhuis	0436
Latin America: A. Savard	7641

Western Representative: H. L. E. Priestman, 355 Burrard St., Vancouver.

Newfoundland Representative: Stott Bldg., St. John's, Newfoundland.

COMMODITIES BRANCH

Director: Denis Harvey	5417
Special Assistant: A. L. Neal	8269
Administrative Assistant: J. G. MacKinnon	6905

Export Division

Director: Acting	6519

Import Division

Director: C. F. McGinnis	7163

Transportation and Trade Services Division

Director: G. S. Hall	6236

* Unless otherwise noted, all offices of the Department are in No. 1 Building.

Export and Import Permit Section

Chief: T. G. Hills 3640

Processing Officers:

Steel, non-ferrous metals, machinery, automobiles, all strategic materials: S. C. Cooke 6976

Textiles, lumber, chemicals, rubber products, leather: K. A. Peaker 5508

Imports and Office Supervisor: L. M. Lang 6991

Directories Section (Export and Import)

Chief: G. L. Tighe 6681

B.W.I. Trade Liberalization Plan: J. G. MacKinnon 6905-5670

Token Shipments to United Kingdom: A. E. Fortington 5680

Transportation and Communications Section

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Traffic: J. H. Longfellow 7835

Commodity Divisions

Machinery and Metals Division

Chief: E. C. Thorne 4082

Assistant to Chief: W. Power 5207

Machinery and Plant Equipment Section 7546

Non-Ferrous Metals and Industrial Minerals Section

Non-Ferrous Metals: A. Tedford 5159

Industrial Minerals: E. J. Bonkoff 5823

Iron and Steel Section 5207

Automotive and Agricultural Equipment Section: G. C. Clarke 3873

Forest Products and Chemicals Division

Wood and Wood Products Section

Acting Chief: J. C. Dunn 0273

Lumber and Manufactured Wood Products: J. C. Dunn 0273

Logs and Lumber Products: R. Bonnar 4863

H. Walton 5127

Paper, Pulp and Pulpwood: M. N. Murphy 5811

Chemicals, Oils and Minerals Section

Chief: S. G. Barkley 7601

Chemicals and Allied Products: S. G. Barkley 7601

Oils and Fats: R. T. Elworthy 5177

Consumer Goods Division

General Products Section

Acting Chief: P. G. Jones 4160

Toys, Recreational Products, Musical Instruments: P. G. Jones 4160

Electrical Appliances, Sewing Machines: W. H. Grant 3209

Office, Hospital, Radio and Store Equipment: D. G. W. Douglas 6197

Handicrafts, Photographic Equipment, Jewellery: P. E. Jensen 5337

Plumbing, Heating and Hardware Products: G. W. Rahm 6958

Textiles, Leather and Rubber Section

Chief: G. R. Poley 3004

Fabrics: G. R. Poley 3004

Wearing Apparel: E. G. Gerridzen 5378

Fibres and Products: A. C. Fairweather 7815

Leather and Rubber Products: F. T. Carten 0518

Imported Foods

E. B. Paget 4161

AGRICULTURE AND FISHERIES BRANCH

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Assistant Director: W. B. McCullough	3980
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Livestock, Dairy and Poultry Products: K. L. Melvin	3172
Animal Products: A. J. Stanton	5859
Fish and Fish Products: T. R. Kinsella	7385

Grain Division

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R. M. Esdale	5830-5648

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R. E. Latimer	8727
Sterling Area	
H. K. Potter	8469
E. J. McMeekin	8727
R. B. Nickson	7594
W. Lavoie	6531
United States Area	
B. S. Shapiro	8469
B. O'Neill	8469

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Editor, Foreign Trade and Commerce Exterieur: Miss O. Mary Hill	6588
Advertising: Roy A. Abrahamson	6435

TRANSLATION BRANCH

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M. Roy	2760

INDUSTRIAL DEVELOPMENT DIVISION

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Assistant Director: B. R. Hayden	7886
Technical Officer: W. J. Moloughney	5909

DOMINION BUREAU OF STATISTICS

Holland Ave.

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Assistant Dominion Statistician: J. T. Marshall	7695
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Director: C. V. Parker	4774
Census Division	
Director: O. A. Lemieux	2088
Education Division	5933
Information Services Division	7544
Canada Year Book and Canada Hand Book	
Director: C. C. Lingard	
Health and Welfare Division	
Director: F. F. Harris	6651
Industry and Merchandising Division	
Director: H. McLeod	2125
International Trade Division	
Director: C. D. Blyth	8340
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Director: S. A. Goldberg	3071
Special Surveys Division	
Director: A. B. McMorran	5570

STANDARDS BRANCH

West Block, Wellington St.

Director: R. W. MacLean	2132
Assistant Directors	
Electricity and Gas: E. F. Power	2956
Weights and Measures: C. S. Phillips	2000
Commodity Standards: O'Neill O'Higgins	6721
Precious Metals Marking, and Enforcement: W. L. Berry	7075

INTERNATIONAL ECONOMIC AND TECHNICAL CO-OPERATION DIVISION ("COLOMBO PLAN")

No. 4 Building, Lyon St.

Administrator: Nik Cavell	8495
Assistant Administrator: R. W. Rosenthal	8429
Technical Co-operation Service	
Chief: J. A. Macdonald	5542
Assistant Chief: J. T. Hobart	8662

CANADIAN GOVERNMENT EXHIBITION COMMISSION

479 Bank St.

Director: Glen Bannerman	3558

EXPORT CREDITS INSURANCE CORPORATION

Birks Bldg., 107 Sparks St.

General Manager: H. T. Aitken	2-4828
Chief Credit Officer: A. W. Thomas	2-4828
Secretary: T. Chase-Casgrain	2-4828

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02236.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 1*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1304	
		Basic buying	·1956	
		Preferential selling	·1956	(1)
		Basic selling	·1304	
		Free	·07041	
Austria	Schilling		·03762	
Australia	Pound		2·1920	
Belgium Luxembourg & Belgian Dependencies	Franc		·01963	
Bolivia	Boliviano	Official	·00515	
British West Indies	Dollar		·5708	(3)
	Pound		2·7400	(4)
	Dollar	Brit. Honduras	·6850	
Brazil	Cruzeiro	Official	·05287	tax 8%
		Free	·02526	(2)
Burma	Kyat		·2054	
Ceylon	Rupee		·2055	
Chile	Peso		·00889	(1)
Colombia	Peso	Basic	·3912	
Costa Rica	Colon	Official	·1742	(5)
		Free	·1473	*
Cuba	Peso		·9781	tax 2%
Czechoslovakia	Koruna		·1358	
Denmark	Krone		·1416	
Dominican Republic	Peso		·9781	
Ecuador	Sucre	Official	·06521	(6)
		Free	·05644	
Egypt	Pound		2·8087	
Fiji	Pound		2·4685	
Finland	Markka		·00425	
France	Franc		·00279	
French Africa	Franc		·00559	
French Pacific	Franc		·01537	
Germany	D Mark		·2329	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9781	
Haiti	Gourde		·1956	
Honduras	Lempira		·4891	
Hong Kong	Dollar	Free	·1639	*Sept. 25
Iceland	Krona	Official	·06006	
		Special buying	·04624	
		Special selling	·03726	
India	Rupee		·2055	
Indonesia	Rupiah	Basic	·08580	(7)
		Dollar certificate	·00184	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 1	Notes (See below)
Iran	Rial	Official	·03032	*
		Certificate	·00976	*
Iraq	Dinar		2·7387	
Ireland	Pound		2·7400	
Israel	Pound	Basic	2·7387	
		Special	1·3694	(8)
		Investment	·9781	
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2973	
Mexico	Peso		·1131	
Netherlands	Guilder		·2574	
Netherlands Antilles	Guilder		·5187	
New Zealand	Pound		2·7400	
Nicaragua	Cordoba	Effective buying	·1482	(9)
		Official selling	·1387	
		With Surcharge I	·1215	
		With Surcharge II	·09732	
Norway	Krone		·1369	
Pakistan	Rupee		·2956	
Panama	Balboa		·9781	
Paraguay	Guarani	Basic	·06521	(1)
		With Surcharge I	·04657	(10)
		With Surcharge II	·03260	
Peru	Sol	Certificate	·05433	
Philippines	Peso		·4891	tax 17% (2)
Portugal	Escudo		·03414	
El Salvador	Colon		·3912	
Singapore & Malaya	Straits dollar		·3197	
South Africa (Union of)	Pound		2·7400	
Spain & Dependencies	Peseta	Basic buying	·04466	
		Basic selling	·08717	
		Basic commercial selling	·05955	(1)
		Free	·02483	
Sweden	Krona		·1891	
Switzerland	Franc		·2281	
Syria	Pound	Free	·2764	*Aug. 14
Thailand	Baht	Official	·07825	(1)
		Free	·05551	*July 31
Turkey	Lira		·3493	
United Kingdom	Pound		2·7400	
United States	Dollar		·9781	
Uruguay	Peso	Official	·6439	
		Basic buying	·5495	
		Special buying	·4162	(1)
		Basic selling	·5148	
		Special selling	·3992	
Venezuela	Bolivar		·2920	(11)
Yugoslavia	Dinar		·00326	

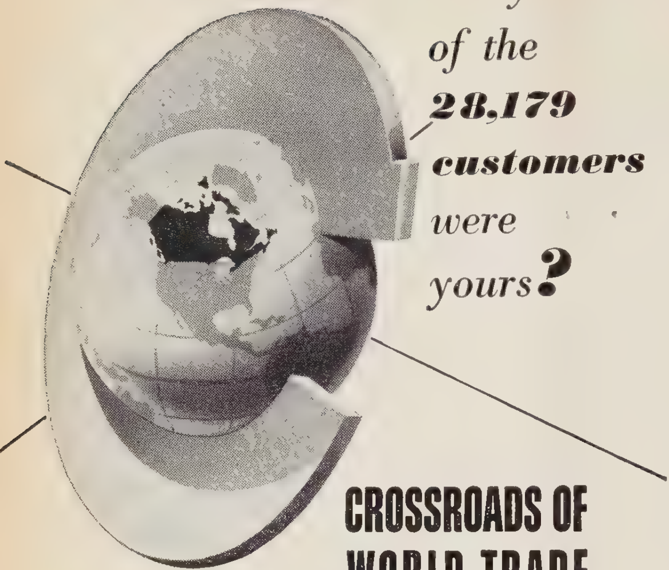
* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Israel: An additional effective rate of 1.80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
9. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
10. Paraguay: Basic rate applies to most Paraguayan exports.
11. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

how many of the ***28,179 customers*** *were yours?*



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foreign trade

OCTOBER 17, 1953

Credit Conditions in Latin America (page 2)

foreign trade

/OL. 14 OTTAWA, OCTOBER 17, 1953 NO. 355

'ER ... This street scene
u serves to introduce one
ır regular features—a
v of credit conditions in
ıs parts of the world.
ıge two, we discuss the
's affecting credit in the
American area and
you up-to-date on finan-
onditions in twenty coun-

—Photo by Panagra.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

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Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Credit Conditions in Latin America

BECAUSE THE LATIN AMERICAN COUNTRIES depend economically upon the production and export of primary commodities, the changes in the fortunes of the individual countries directly reflect changes in the market for these commodities. In 1953 so far, most commodity markets have been characterized by falling prices. Accordingly, primary producers generally suffered a drop in export earnings and an unfavourable shift in the terms of trade.

The mineral producers and exporters—Mexico, Peru, Bolivia and Chile—have all seen their exchange earning power decrease. The sugar bowl of the world, Cuba, has had to curtail production and accept lower prices. The downturn in cotton has had adverse effects on Brazil, Peru, Mexico and El Salvador.

The Coffee Economies

Happily for Latin America and for Canadian exporters to that area, the world coffee market has defied this general trend and gained rather than lost strength. Colombia, Guatemala, El Salvador, Nicaragua and Costa Rica have continued to prosper and the prospects remain good. Brazil, the top producer of coffee, has not shared this trade strength, but her difficulties are associated with the weaker cotton market, the effects of domestic inflation, and a large backlog of commercial debts. Unfortunately, Brazil does not share the comfortable prospects of her fellow coffee producers either, because it was the reduction in her expected coffee crops from 1954 on, the result of severe frost damage, that gave renewed strength to the world coffee market. The minor recession in Mexico and Haiti is also milder than it otherwise would have been, thanks to coffee.

Two other commodities have benefited individual Latin American countries. Petroleum has not yet posed any serious problems for Venezuela and her prosperity continues. The steadiness of raw wool has meant that Uruguay's trade balance has recovered remarkably and to a lesser degree wool has helped Argentina to accomplish the same thing.

Other Factors

Credit conditions are not solely dependent upon world commodity markets and export earnings, however. Special domestic conditions have an influence on particular countries.

- Bolivia—repercussions from the political change and the nationalization of the tin mines resulted in uncertainty and credit difficulties.

- Ecuador—flood damage early this year brought special problems, but by mid-year the difficulties seemed to have been overcome and prospects are again quite bright.

- Mexico—the recession is attributed to the cautious fiscal policy of the new government and the suspension of public works. The credit supply was tighter as a consequence.

• Brazil—This country is a very special case because of her heavy backlog of commercial debt. In the slow process of liquidating this debt, mainly with money obtained from the Export-Import Bank of Washington, Canadian exporters have not fared well to date.

Shifts and Dangers

A direct consequence of the accumulated weaknesses in Latin America was a decline in the level of Canadian exports to that area by 33 per cent in the first half of 1953, compared with the first half of 1952. This reduction in imports as the value of their exports declined is a realistic and healthy adjustment, if these countries are to maintain strong foreign exchange and credit positions. When a country like Peru continues to import at a high level after the value of her exports has declined, the export sales manager of a supplying company may be pleased but the credit manager should be somewhat concerned.

There is credit danger in the reverse situation too. Argentina has reduced the level of imports so severely that domestic industry has difficulty maintaining operations for want of materials and equipment and this tends to increase the number of domestic business failures. The sharp reduction in Brazilian imports carries the same threat to industrial producers in that country.

Combined information from the Canadian Export Credits Insurance Corporation and the member banks of the Federal Reserve system in the United States on collection experience in Latin American countries during the first seven months of 1953 reveals noticeable deterioration in the prompt payment of collections in Brazil and Bolivia only. Paraguay and Uruguay, on the other hand, showed a decided improvement.

Summary of Changes during first nine months, 1953

Country	Trade Balance and Exchange Position	Business Conditions
Argentina	Improved	No gain
Bolivia	Weaker	More uncertain
Brazil	Recovering	Little change
Chile	Improved	Slightly better
Colombia	Improved	Improved
Costa Rica	Further gain	Little change
Cuba	Some decline	Slight recession
Dominican Republic	Less favourable	Slight decline
Ecuador	Weaker	Little change
El Salvador	Further gain	Little change
Guatemala	Slight gain	More uncertain
Haiti	Weaker	Slight recession
Honduras	Slight gain	No change
Mexico	Improved	Moderate recession
Nicaragua	Stronger	Little change
Panama	Stronger	Improved
Paraguay	Improved	Improved
Peru	Weaker	Slight decline
Uruguay	Strong gain	Improved
Venezuela	Little change	Little change

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The Japanese Camera Industry

Domestic production of high-grade optical glass and enthusiastic U.S. endorsement of Japanese-made lenses have helped this industry to become well established in dollar markets.

TOKYO—Japanese camera manufacturers are enjoying prosperous business, in striking contrast to large segments of Japanese export industry. Cameras have figured as a major export for the past few years and foreign and domestic sales are steadily increasing. Manufacturers are optimistically planning further expansion and carrying out new marketing programs.

Wars Spur Production

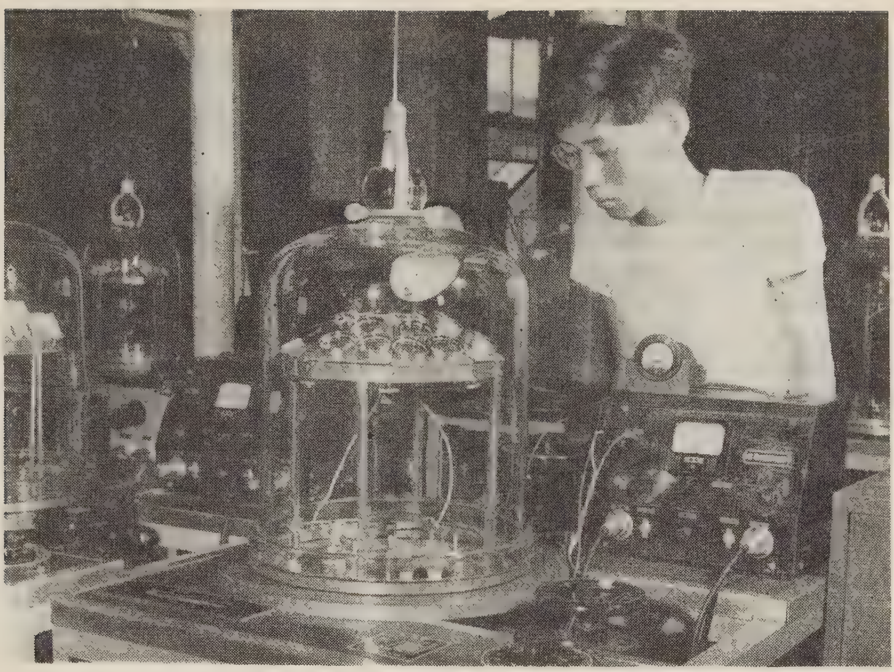
Some types of cameras were produced in Japan before the turn of the century and it was natural that the Japanese, who are careful, dexterous workers, should rapidly acquire the skill and precision which made the growth of the industry possible. World War I deprived Japan and other countries of access to German optical goods and presented her manufacturers with a challenge that was accepted. By 1937 production of cameras was significant and these cameras were on an industrial and technical level comparable to that in European countries. Postwar development was rapid; small wartime ammunition factories were used to meet the demand from photo-conscious occupying personnel with money to spend.

Pouring Optical Glass

The Japanese camera industry is the most important segment of the precision optical instrument business, which produces binoculars, microscopes, lenses, surveying equipment, and other measuring and laboratory equipment. All these products require high-grade optical glass which was finally poured in a one-metric-ton pot furnace in May 1952. During the war the military had promoted research into the improvement of glass pot furnaces and this research was continued after 1945 with subsidies from the Government. The production of high-grade optical glass made possible the manufacture of lenses which were incorporated into high-precision cameras. The debut of the F 1·4 and wide angle 28 mm. lenses attracted world-wide attention.

Receive Wide Publicity

The greatest fillip to the industry was the publicity attending the "discovery" of Japanese lenses by Korea-bound *Time* and *Life* cameramen. The experts fully tested their new equipment under battle conditions and their favourable reports on results obtained received widespread



This intent young Japanese is putting high-grade camera lenses through the final manufacturing process—drying the "coating" in an atmosphere free of dust and in a constant temperature

coverage. Some cameramen believed they had discovered the best equipment obtainable from any source when they combined a Japanese lens with a German shutter and camera body. This view appears to be substantiated by exports to the United States. In 1952, about 28,700 cameras valued at $636 thousand were sold in that market and in the same period over 50,000 mounted lenses worth $439 thousand found U.S. buyers.

At present, 33 of the leading manufacturers are banded together in an association but in addition, there are 40 or 50 other manufacturers in this industry, which is concentrated in Tokyo and vicinity. Published statistics of the industry from various sources differ, partly because of the difficulty in finding a standard definition of what constitutes a camera. The following table gives an estimate of production by numbers and value, export sales, and value of exports for the past few years.

Year	Value of production (in 1,000 yen)	No. of cameras manufactured	No. of export sales	Value of exports (in 1,000 yen)
1948	350,400	126,350	64,870	175,830
1949	920,800	312,000	240,710	785,070
1950	1,212,300	177,300	93,980	831,710
1951	2,975,200	277,000	153,390	1,596,210
1952	4,684,700	416,800	155,480	2,087,580

The sharp increase in output for 1949 is attributed to a temporary export demand for novelty and midget cameras. Manufacturers report that in addition to buoyant sales of ordinary hand cameras, they are receiving increasing orders for special types of equipment to be used for copying, recording, and analytical work. It is expected that total production in 1953 will show a substantial increase over 1952.

Domestic sales of cameras were comparatively small until 1950. However, the industry must still rely on exports, which account for 60 to 70 per cent of sales. The United States is Japan's principal market, absorbing 80 per cent of all exports. In addition, good markets have been found in Canada and Latin America and lesser sales made to Europe and to Asiatic countries.

A fundamental characteristic of Japanese industry has prevented export sales from reaching the highest possible level. Many manufacturers lacking in capital and experience have had to rely on trading firms to push sales and develop markets. The result has been a surfeit of brands and various individual products have not gained the reputation they deserve. Recognizing this basic failing, a few able companies have adopted an aggressive sales policy and are currently establishing their own distribution organizations in dollar markets.

—R. F. RENWICK
Assistant Commercial Secretary for Canada

The Swiss Economy

BERNE—During the first six months of 1953, the volume of Switzerland's business continued to grow. The slight drop in employment in the metallurgical industries was compensated by an improvement in other branches, particularly textiles, and conditions in the labour market as a whole are now very satisfactory. The demand for consumer products is good; retail sales have increased by 1·2 per cent over last year although average prices are a little lower. The tourist industry has also picked up.

Swiss exports in the first half of this year considerably exceeded the high figure reached in 1952, but the increase was greater in volume than in value. Imports, on the other hand, were lower than in 1952. As a result, Switzerland had a favourable trade balance. In past years, this highly industrial country has imported more than it exported. At present, imports and exports are almost balanced but a return to the traditional adverse balance appears likely in the near future.

The level of prices remains firm; wholesale prices fell by 0·1 per cent during the six months; the cost of living rose by 0·2 per cent. Compared with the end of June 1952, the wholesale price index has decreased by 3 per cent and the cost of living index by 0·9 per cent.

Bad weather damaged the crops but average harvests of grains and of potatoes, beets and other field plants are expected. Production of animals for slaughtering was higher than last year and the milk output has increased.

—YVES LAMONTAGNE
Commercial Counsellor for Canada

Transportation Notes

AUSTRALIA

Airways Fares Increased—Australia's two major airways companies have been granted an average increase of $2\frac{1}{2}$ per cent on passenger and freight rates. These increases are the first since December 1951 when the fares rose by 15 per cent. Existing fares are based on costs in July 1951, which have since risen by more than 12 per cent, largely because of wage increases and higher prices for aviation fuel and spare parts—Sydney, Sept. 15.

BRAZIL

Re-equip Northeast Railroad—President Vargas has approved the recommendations made by the Joint Brazil-U.S. Commission for re-equipping and improving the Northeast and Sampaio Correia railroads. The plans call for an expenditure of $10,127,000 and Cr.$414 million—Rio de Janeiro, Sept. 10.

CUBA

Sale of United Railways—A public bond issue totalling $20 million ($4\frac{1}{2}$ per cent to be amortized July 1, 1956, through June 1, 1995) has been floated by the Cuban Government for the purchase and rehabilitation of the British-owned United Railways of Havana. This line, which operates a total of 1,400 miles of railways in the western section of the island, has been managed by the Cuban Government for several years. Of this amount, $13 million will go to complete the purchase and the remainder will serve as a starter for much-needed new equipment. A new company, "Ferrocarriles Occidentales de Cuba" (Cuba Western Railways), is being formed to take over the operation of the railways. A general cut in payroll and labour strength of roughly 25 per cent was necessary to make this operation possible—Havana, Sept. 18.

INDIA

Mangalore to Be Major Port—The Government of India has selected Mangalore, 450 miles south of Bombay, as the most desirable site for a new major west coast port. This small port possesses only an open roadstead where ocean-going vessels must lie at anchor two miles outside the river bar, and during the monsoon period (May to September) it is closed to shipping. To solve the primary problem of maintaining a deep-water channel through the harbour entrance, the Central Water and Power Research Station at Poona is preparing

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a model of the port to study the hydro-dynamics of the area. The main value of this port will be as an outlet for the prosperous industrial and agricultural areas of Mysore State—Bombay, Sept. 14.

INDONESIA

Austasia Line to Increase Service—The Austasia Line will add two new 5,000-ton passenger-freight vessels to their Australia, Malaya and Indonesia service. The first vessel will be put into service in October and the second in December—Djakarta, Sept. 7.

JAMAICA

Wharf Storage—Effective September 1st, the Jamaica Customs is strictly enforcing the regulation that agents and wharf-owners must transfer to the Queen's Warehouse all goods which have not been cleared within the 14-day free storage period—Kingston, Sept. 11.

NORTHERN RHODESIA

Trans-African Rail Connection—A 200-mile railway between Kamina on the Elizabethville-Port Francqui main line and Kampolo on the Albertville-Kindu Line of the Upper Congo-Great African Lakes System, is being built. When it is completed early in 1956, there will be a continuous railway connection across Africa between Lobito Bay on the west and Dar-es-Salaam on the Indian Ocean—Cape Town, Sept. 20.

SOUTH AFRICA

Air Terminal Opened—Since September 1st, all air traffic to Johannesburg has been routed through the newly-constructed Jan Smuts Airport. Built at a cost of £6,250,000, the huge air terminal ranks as one of the best in the world. Its main runway is two miles long and is designed to take aircraft of an all-up weight of 200 tons. The customs, immigration, public health and postal services of Johannesburg's Palmietfontein Airport have been transferred to the new air terminal to facilitate the flow of passengers and air cargo at Jan Smuts Airport—Johannesburg, Sept. 11.

Operating Deficit in State Transportation—The South African Railways' operating deficit during the fiscal year ended March 31 totalled £4·75 million. Prices for rolling stock and other equipment, permanent way materials and coal have continued to rise and, at the same time, improvement in conditions of employment, the rise in salaries and cost-of-living bonuses have contributed to the mounting cost of operation. Freight and passenger tariffs, harbour and dock dues and terminal charges have been increased by 13·63 per cent from August 1st, but a larger deficit is forecast for the current year—Cape Town, Sept. 6.

Fertilizers and the Future

A major producer of fertilizers since the 1940's, Canada has won an important place in the export market. Will she be able to retain it over the long term?

OTTAWA—Fertilizer production has for many years been one of the most important of Canada's chemical industries. A hundred years ago, potash from the leaching of hardwood ashes was one of our principal exports. And today, with immense plants geared to serve large foreign as well as domestic markets, it is still by far the largest item in this country's chemical exports.

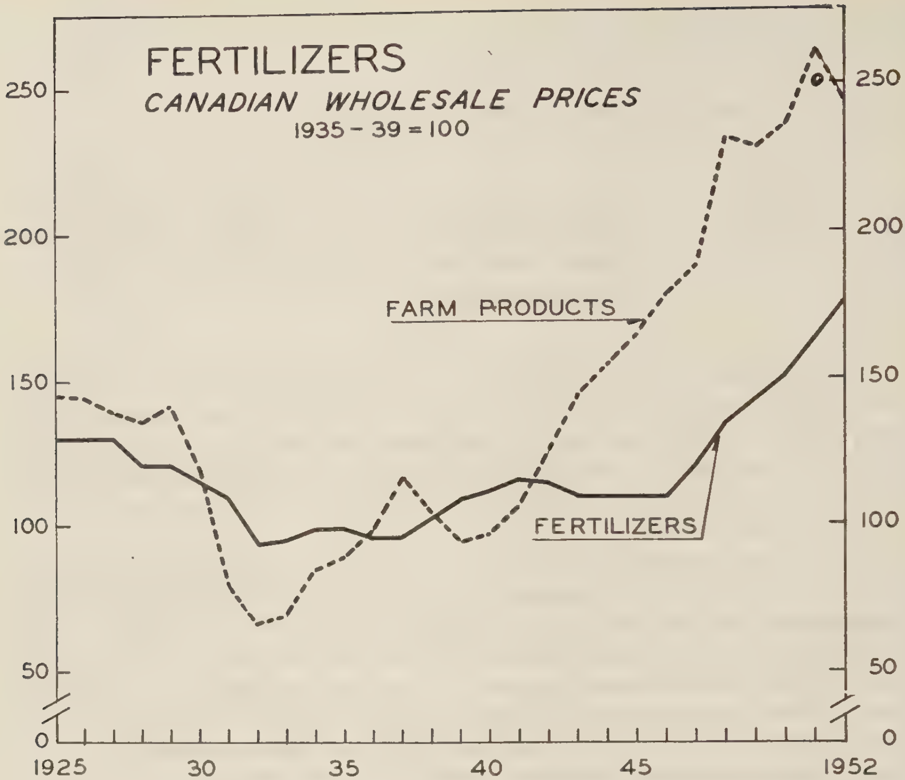
From the beginning, fertilizer production in Canada has been associated with resource development. For a long time it was tied in with logging and the clearing of farmlands. Then, as hard rock mining and railway construction got under way, it became largely a by-product of the manufacture of dynamite; spent acid was used to treat local phosphate rock to produce a range of superphosphate fertilizers. In the 1920's and early 1930's the utilization of non-ferrous metal smelter fumes got under way. It was then that Canadian engineers showed the way in transforming these destructive waste gases into useful plant food. Their success, plus the use of our abundant hydro-electric power in the fixation of nitrogen from the air, has enabled Canada to retain its prominent position as one of the world's largest traders in chemical fertilizers.

Becomes Major Producer

Today, with the added stimulus provided by defence programs, Canada is well up among the world's major producing nations. Our fertilizer manufacturers are extremely efficient. In recent years they have won a place in a large number of export markets which, given reasonably free competition, they will retain for a long time to come.

Expanding chemical fertilizer production has for many years been supplementing, and in some cases displacing, natural products. Stimulated by greater food consumption and by a growing appreciation of the benefits of improving the plant food content of soils, output has doubled in nearly every decade since 1900. Now the creation of additional synthetic nitrogen capacity as part of the defence program promises to make fertilizer production an even more important segment of Canada's economy.

The volume of fertilizer sales has always been closely related to farm income; now there is ample evidence of a long-run trend towards their more intensive use. A major influence on this growth in demand has been the fact that prices of agricultural products have risen more rapidly than those of fertilizers. In Canada, for instance, the average wholesale price of farm products in 1950 was over twice that of 1938, but the cost to the



farmer of chemical fertilizers only went up about 50 per cent. Studies in various parts of the world have shown that farmers tend to spend a fixed percentage of their income on fertilizers. The relative decline in fertilizer prices has therefore been a major factor reinforcing the long-term upward trend in consumption.

These demand characteristics affect all three of the major fertilizer materials—phosphate, potash and nitrogen. This is because plant nutrients, like the human diet, must be available in balanced form to be most effective and a serious shortage of any one affects the use of the other two. This is one of the main reasons why the application of "compound" fertilizer has been expanding steadily in recent years and why, for a decade or more, the tonnage ratio of sales has been in the order of—phosphates 3, potash 2, and nitrogen 2. The first two are still largely products of the world's mines, but nitrogen has become increasingly a product of the synthetic chemical industry.

For many years the natural guano deposits of Chile were the world's major source of combined nitrogen. Then, about the turn of the century, ammonium salts from the steel industry's by-product coke ovens put in their appearance. It was followed by cyanamide production and, particularly in the late 1920's and early 1930's, by fixed nitrogen from the air. So efficient have these synthetic processes become that the usage of mineral nitrates has remained virtually unchanged since World War I, and practically all of the subsequent growth in the demand for nitrogen fertilizer has been met by purely chemical means.

Expanding munitions production and the destruction wrought by World War II later had a profound effect on this industry. Not only did they stimulate Canadian production but they also radically altered the pattern of international trade. More synthetic nitrogen plants were built as an adjunct to explosives production in North America and this, with the destruction of similar facilities in the Axis countries, has changed this continent's position from a net importer to an exporter of nitrogenous and other fertilizers.

Before the war Europe had a surplus of each of the major plant nutrients and the United States was by far the largest importer of nitrogen and potash. Today the U.S. has become largely self-sufficient, and is supplying most of the needs of the Far East, as well as competing with the United Kingdom, Belgium, Norway and Canada in other world markets. The following table indicates some of the main trends over the past decade:

Fertilizer Production

(in thousands of tons of nutrient content)

Area	1938-39 Nitrogen	1938-39 Phosphate	1938-39 Potash	1949-50 Nitrogen	1949-50 Phosphate	1949-50 Potash
North America	284	639	283	1,212	1,904	881
Europe	1,630	2,126	2,429	1,776	2,423	2,767
South America	240	32	10	298	44	11
Asia	367	305	....	382	238	....
Africa	....	44	33	....	124	....
Oceania	5	351	....	11	472	1
Total World ...	2,528	3,498	2,755	3,679	5,205	3,660

Source: Commonwealth Economic Committee and FAO.

During the 1949-50 season, there were signs that with the recovery of European producers, output was rapidly catching up with world consumption. However, the war in Korea changed all that. Though it hastened the reactivation of nitrogen capacity, it also caused some plants to be used for defence purposes and brought on a number of raw material shortages. Now that these shortages are slowly being overcome, the question of future markets again promises to come to the fore.

Assessing the Future

What are the prospects as far as Canada is concerned? Long-term trends give some reassurance. Even if international loans are no longer effective and deficiencies arising out of wartime starvation of soils are overcome, there are much more powerful factors at work. Growing population and rising living standards are only two of these. There is also government measures aimed at supporting the price of agricultural products and of others designed to encourage soil conservation.

Our changing food tastes also have something to do with the nature of the demand for fertilizers. On this continent, per capita consumption of fruits, fresh vegetables and dairy products has been rising rapidly. As a result, the quantity of fertilizer used on fruits, truck crops and grass lands has increased substantially. Twenty years ago, the one big consumer of fertilizer was cotton. Today, the corn crop is in the lead, with small grains and vegetables ranking second and third. It is also significant that

pasture lands, which consumed only negligible amounts of fertilizer twenty years ago, are now using more fertilizer than all vegetables did before the war.

All this is evidence that the farmers are becoming more and more aware of the advantages of the more extensive use of fertilizers. As long as the use of one dollar's worth of fertilizer continues to result in increased yields of between two and five dollars' worth of farm products, there is little likelihood that the fertilizer industry will encounter a prolonged levelling-off in demand. Indeed, one may contend with some justification that there is plenty of room for expanding sales. If one bears in mind that in Western Europe, where land is scarce and fertilization has been common practice for many years, farmers now use from 10 to 25 times as much fertilizer as is common in North America, this view would seem to have much to recommend it.

Canada as a Producer

Though Canada's stature among the world's producers has been growing steadily, it did not begin to play a major role until the early 1940's. Since then, however, this country has become the world's second largest exporter of nitrogen fertilizers, and has played a large part in the postwar schemes for the international allocation of fertilizers. This has not been without benefit to Canada. The overseas export trade in particular has helped domestic producers to smooth out the seasonal fluctuations which are characteristic of operations in this field.

Some idea of the growing internal and foreign trade in fertilizers can be obtained from the following table:

(in thousands of short tons)

	Production				
Year	Fertilizer Materials	Mixed Fertilizers	Imports	Exports	Total Sales in Canada*
1930	221	78	281	200	321
1940	525	303	217	335	347
1945	830	539	195	754	575
1950	1,077	670	372	742	765
1951	1,049	697	411	623	771
1952	1,113	667	464	746	769

* Year ending June 30.

The development of and outlook for this industry* is bound up with regional considerations. Protected as they are by distance and the bulky nature of their products, Western Canadian plants are in an admirable position to meet the rising needs of the Canadian prairies, British Columbia and the Central and Western United States. Agriculture in this great new area has so far been largely extractive—a process which cannot be allowed to continue indefinitely. The Canadian plants at Calgary, Trail and Kimberley enjoy an advantage in cheap raw materials and abundant supplies of low-cost fuels and electric power. Competitively, they are in a very strong position.

In the east the situation is somewhat different. Canada, with the only cyanamide plant on this continent, will no doubt continue to ship the

* Although the industry is concentrated in several large plants in B.C. and Ontario, a great number of other plants largely devoted to mixing operations bring the total number to 37, providing work for over 3,100 employees.

bulk of such nitrogen fertilizer production to the United States. On the other hand, the mounting consumption in Central Canada and the Maritimes of phosphates and potassic fertilizers will probably continue to be met from foreign sources. Because of a lack of suitable local deposits, it seems as though the industry will continue to acidize phosphate rock from Florida and to import much, if not all, of its mineral potash from France, Germany and the United States.

Sales Prospects

In addition to the favourable outlook for sales in the United States, the Canadian fertilizer industry has a sizable and continuing interest in overseas markets. Here the element of uncertainty is much greater. Varying exchange rates and the possibility of sudden tariff increases or the imposition of import quotas must also be reckoned with. But agriculture in many parts of the world's under-developed areas offers tremendous long-term possibilities. Even in what are generally regarded as the more advanced countries, the application of synthetic plant foods is still far short of the rate at which minerals are being extracted from the soil. This is the main reason why Canada's overseas sales are expected to be well maintained. In the long run they may even expand, despite a continuing revival in European production and a possible re-direction of United States exports of these important plant foods.

This article, the third in a series of six to appear in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Economics Division of the Department of Defence Production. For the first two articles, see our October 3rd and October 10th issues—Editor.*

** In the article in our October 10 issue on industrial chemicals, the total annual value of Canadian production of these chemicals was given as $1,950 million. It should have read $195·0 million.*

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad..................October 3

Head Office Directory..........................October 10

Area Breakdown, Foreign Trade Service......September 19

Foreign Commercial Representatives in Canada....August 8

Commodity Notes

ARGENTINA

Typewriters—Argentina imported 176,340 typewriters in the period 1939-52. But from now on it is unlikely that any typewriters, other than the electrically operated type, will be imported because a typewriter factory was established in Buenos Aires some time ago. This factory was later taken over by a well-known United States manufacturer who also has a branch plant in Canada. It is unlikely that Argentina will give dollar exchange permits in the future for manually operated machines—Buenos Aires, Sept. 18.

AUSTRALIA

Sulphate Pulp—The first shipment of pulp to Australia from New Zealand was due to leave New Zealand last week. It consisted of 500 tons of unbleached sulphate pulp manufactured at the new kraft mill of N.Z. Forest Products Ltd., at Kinleith. The pulp will be blended with eucalypt groundwood pulp to make newsprint. Over 1,000 tons will be shipped each month.

The managing director of the New Zealand company said that in 1948 a Tasmanian company contracted with N.Z. Forest Products to buy a minimum of 12,500 tons a year of sulphate pulp for twenty years. The New Zealand company's initial target for pulp production, he said, is 45,000 tons a year but there is ample room for substantial increases in output after the mills are all in full operation—Melbourne, Sept. 23.

BRAZIL

Coffee—Coffee exports in the first two months of the new 1953-54 crop year, which began last June, dropped 12 per cent over the corresponding period of the previous year—from 2,540,793 to 2,243,-685 bags. This break is attributed to smaller stocks and the reluctance of coffee exporters to sell their product at the so-called "confiscatory exchange rate"—São Paulo, Sept. 25.

COLOMBIA

Rice—Ecuador has large stocks of rice on hand for which the Government is anxious to find export markets. This completely reverses the situation at the first of the year, when stocks fell to such a low level that imports from Colombia and Peru were necessary to meet domestic

needs. The last crop was so large, however, that approximately 50,000 tons are in the warehouses, twice the quantity needed for domestic consumption—Bogotá, Sept. 14.

CUBA

Sugar—Out of a total of 5,648,890 Spanish long tons (2,271 lb.) made up of the entire 1953 crop, the exportable balance from the 1952 crop, and the portion of the so-called Stabilized Financed Reserve released for export early in 1953, the following quantities have been exported: to the United States—1,823,718 tons, mainly via New Orleans and New York; to other countries—1,902,210 tons, with the U.K. the largest importer, taking 654,619 tons, Japan 345,407 tons, and Germany 173,709 tons—Havana, Sept. 27.

INDIA

Black Pepper—The third and final forecast on black pepper for the 1952-53 season in the Madras State gives the area under black pepper in 1952-53 as 114 thousand acres, compared with the final area of 110,750 acres for the previous year, an increase of 3·7 per cent. The yield is estimated at 8,300 tons, an increase of 11·9 per cent over the previous year—New Delhi, Sept. 18.

ISRAEL

Plastic Raw Materials—Plastic raw materials being produced in Israel include acrylics and polyvinyl (used in the paint, textile and building materials industries), and thermosetting phenol formaldehyde moulding powder (a raw material for the local plastic moulding industry). Production of thermoplastic moulding powder (polystyrene), required by the local injection moulding industry, has just begun. Annual output of this product is expected to cover local requirements of 300 tons and provide a similar amount for export. Other products to be produced in the immediate future are phenol formaldehyde and urea formaldehyde liquid resins for use in the textile, plywood, brake-lining and other industries—Athens, Sept. 12.

NORWAY

Fish Products—The marketing possibilities for Norwegian fish products have varied considerably during the first half of this year. There is still a good market for herring, mainly in European countries, but the restrictions recently imposed by Brazil have created difficulties in exports of dried salted cod (klipfish) of which Brazil has previously taken large quantities. During the first four months of this year, the value of these exports to Brazil declined to 14·3 million kroner from 46·7 million last year. Import restrictions in other countries have also hampered the export of canned fish products, and present stocks are large. Exports to the United States, however, compare well with last year, the export value for the first four months of the year totalling 17·1 million kroner (15·8 million in 1952)—Oslo, Sept. 15.

Britain Studies Her Meat Supplies

With supplies of most meats, both domestic and imported, improving, the British hope that meat will soon come off the ration. But Ministry of Food officials assert that some obstacles have still to be surmounted.

LONDON—Any report on food supplies in Britain must discuss the impending end of rationing, which will involve the abolition of most price controls and subidies.

During the past year and a half, food subsidies have been running at £20 million above the statutory annual rate of £410 million. By raising the prices of most controlled foods—e.g., meat, cheese, bacon, eggs, fats—the subsidy has been reduced to the rate of approximately £330 million a year. Further economies have been effected by the decontrol of tea, eggs, and cereals and feedingstuffs. This, with the abandonment of a host of smaller restrictions on such items as sausages, canned meats, bananas, candy, etc., has been part of the general plan for the Ministry of Food to "go out of business" by 1954. Britain's heartfelt wish is that the ration book recently issued in reduced size will be the last.

The encouragement of home production of meat and its acquisition abroad has remained the primary problem in the Government's food and agricultural policy. Although overall meat supplies improved in 1952, there was less beef. Both domestic production and imports of pork, lamb and mutton went up, however.

Beef and Veal

Total shipments of beef to Britain fell from 159·9 thousand short tons in 1951 to 131·6 thousand in 1952. However, recent figures indicate some improvement: the rate of supplies for the first quarter of 1953 nearly doubled compared with the same period of 1951.

The fall in beef and veal production in the U.K. last year from 723 thousand short tons to 667 thousand was the result of a continued decline in the number of beef cattle during the past few years. In an endeavour to reverse this trend, the Government re-introduced a beef cattle subsidy and the latest agricultural census figures indicate that this is now taking effect in a small way.

Mutton and Lamb

Conversely, the number of sheep has increased, thereby raising production of mutton and lamb from 145 thousand short tons in 1951 to 181 thousand in 1952, or 24 per cent. Apparently the disastrous sheep losses in the winter of 1947 have almost been recouped. This was not sufficient, however, to compensate for the drop in beef production, and the result was a net fall in home production of beef, veal, mutton and

lamb of approximately 20 thousand short tons. Mutton and lamb imports increased from 277 to 391 thousand short tons in 1952 and the rate of shipments for the first quarter of 1953 shows that the increase continues.

Pork and Bacon

Britain's pork and bacon supplies have improved considerably in the last two years, chiefly because of the large number of hogs being raised at home. In 1952 home production of bacon went up from 477·1 million to 636·1 million lb., or by one-third, and pork production increased by 67 per cent—from 221·6 million to 369 million lb.

Denmark, Poland and the Netherlands are now the main foreign suppliers. Last year Danish shipments were up by 17 per cent, Polish by 9 per cent, and Dutch by 6 per cent—bringing total imports to 564·5 million lb., compared with 485·3 million in 1951. Total bacon available for consumption in Britain was thus 1,200·6 million lb. in 1952, compared with 962·4 million lb. in 1951; the percentage of home-produced rose from 49 to 53.

Overall supplies of pork were 403 million lb., compared with 256·2 million in 1951. This increase contributed a good deal towards the improved meat ration level throughout the year and helped to supplement the "red meats" in shorter supply.

The recent end of feedingstuffs rationing in the U.K. may give a new impetus to hog raising. More stringent grading has been introduced to encourage ideal bacon and pork types, but prolific breeding, coupled with early financial returns and premiums for quality, make it an attractive proposition for farmers. All this points to an increasing overall supply.

The trade has urged that pigmeat be removed from rationing and official returns show a ration take-up of only 90 per cent for bacon, which is usually regarded as a safe margin for the Minister's final step. Already some of the more expensive cuts have been freed from the ration but they are still price-controlled. Pork is, however, tied in with the general meat ration and any steps towards derationing would necessarily involve removal of the subsidy. No official steps have been taken as yet and it is likely that the whole problem will be reviewed later this year, in conjunction with a study of the general meat supply. Meanwhile, meat and bacon remain on the subsidy account and the price is controlled. As pointed out before, canned meat products and sausages were decontrolled in the early part of the year.

Bacon Supplies

The overall supply of the main meats in 1952 was thus 1,388·4 thousand short tons, 5 per cent more than the 1951 supply of 1,322 thousand. Correspondingly, consumption of all meats (including pork and offal) went up from 59·5 lb. per head in 1951 to 67·1 lb. in 1952.

The chief countries maintaining contracts with the United Kingdom are New Zealand, Australia, the Argentine, and other South American suppliers.

With the conclusion of the Anglo-Argentine agreement, the larger amounts available from New Zealand and Australia, and the prospect of

expansion in home production, the official outlook for meat supplies is so favourable that derationing should not be too far away.

Is Derationing Possible?

The trade has advocated the early derationing of meats and the handing over of imports to private interests. The Minister of Food, however, voicing more moderate counsels, stated not long ago that the gap in supplies is still too wide to permit freedom. He added that he could not anticipate what the demand would be at present prices, but if he were to deration now, the gap could almost certainly only be narrowed by a significant increase in prices. "I hope," he concluded, "that in spite of the seriousness of the obstacles in the way, it will not be very long before meat follows meat products, canned meats, sausages, eggs, tea, cereals, feedingstuffs, and sweets. I hope the list is long and impressive enough to reassure you of my intentions to proceed on the path of decontrol and freedom as rapidly and as soon as possible."

Difficulties Ahead?

From recent events it is evident that the remaining measures of freedom may not be free from difficulties, with customers' preferences coming into effect. At present, meat is only nominally rationed because butchers can sell to any customers after the ration commitments have been met. Ewe mutton has proved unpopular now that general supplies are plentiful, and pork is not in demand in the summer months. In fact, the Minister was obliged to reduce pork prices to enable butchers to dispose of their allocations. Beef prices were increased, however, so that the subsidy would remain unaffected. This is the first example of the marketing problems to be solved before the Ministry of Food can withdraw completely from the field and hand over bulk buying to private hands.

—Basil M. Fillmore
Office of the Commercial Secretary for Canada (Agriculture)

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

Blueberries over the Border

BOSTON—In 1952, eighteen carlots of blueberries—equivalent to 172,800 quarts—arrived in Boston from Nova Scotia. Approximately one million quarts are imported from Canada every year for processing in Maine canning plants. And yet the New England region provides over half of the United States supply of the dusty-blue fruit. More Canadians living within easy reach of the big New England market would do well to examine the possibility of sharing in this lucrative seasonal trade.

Blueberry production in New England falls into two categories—wild and cultivated. Thus far local growers favour the production of wild berries; their competitors in New Jersey, who in the ten years from 1939 to 1949 increased production from 730 thousand quarts to over four million, specialize in the cultivated variety. The coastal areas of Maine are New England's major source of blueberries. From them comes more than 55 per cent of the annual blueberry harvest, which will total this year between eight and nine million quarts. In 1951, the peak return from the crop was $3·5 million, but the average annual crop is valued at approximately $2 million.

The other five New England states usually contribute about two per cent of the nation's supply, with a large part of the southern New England crop being sold fresh. New Hampshire ranks next to Maine as a supplier, with an average annual crop of 250 thousand to 300 thousand quarts. About one per cent of Maine's normal crop is sold fresh, one-third usually is frozen, and the remainder is canned, side by side with more than a million quarts of imported Canadian berries.

A major development in New England harvesting techniques was the blueberry rake, similar in design to the cranberry scoop. With it a picker can harvest more than 100 quarts of berries a day under average conditions and expert pickers have harvested as many as 900 quarts in a single day. To remove leaves and other foreign matter from the berries, commercial growers use a cleaning machine which employs a combination of gravity and forced air blasts. Hand picking is now limited to the wild crop and to growers who pack for the fresh berry market.

In Maine a state tax of five cents a bushel aids in financing a research and marketing program carried out at the University of Maine. New Hampshire organized a blueberry marketing co-operative this year, and the Government of Massachusetts provides an inspection service which will give growers a certificate of quality for a fee of ten cents a crate.

During recent weeks Canadian blueberries have been selling at thirty-five to fifty cents a quart on the Boston wholesale markets. At retail, wild berries sell for sixty to sixty-five cents a quart and cultivated at sixty-six to ninety cents. Canadian growers who put up a well-packed, clean and uniform product should readily find a good demand for their berries in New England.

—D. H. CHENEY
Vice-Consul of Canada and
Assistant Trade Commissioner

General Notes

BRAZIL

Foreign Trade Defict—Brazil's commercial balance showed a deficit of Cr.$256,158,676 in the first six months of 1953, despite the restrictions imposed by the Export-Import Department of the Bank of Brazil. According to statistics released by the Finance Ministry, imports totalled Cr.$11,714,401,904, and exports Cr.$11,458,243,318—Rio de Janeiro, Sept. 14.

FINLAND

Foreign Trade Improves—During June, Finland's imports totalled approximately 10 billion marks, and exports increased to 12·2 billion marks. This was the first month in 1953 to show an export surplus. During the first five months of this year there was an import surplus of about 8·4 billion marks, compared with approximately 26 billion marks in the same period of 1952—Stockholm, Sept. 18.

ISRAEL

Export Position Improves—Exports from Israel in the first quarter of this year totalled $22 million, as compared with $17·9 million during the same period in 1952. This improvement was largely the result of record citrus shipments. During the three-month period, 41·5 per cent of goods exported were sold for hard currency, 43·5 per cent were covered by trade agreements, and 15 per cent bartered.

Figures for industrial exports have been released for the first four months of 1953, and total $5·9 million, an 8 per cent increase over the same period of 1952. The United Kingdom was Israel's best customer for industrial exports taking 27 per cent of the total. She was followed by Finland with 25 per cent and Turkey with 19 per cent. Of these industrial exports, 33 per cent were products of heavy and light industry, 32 per cent textile and leather goods, and 31 per cent food products. The small balance was made up of cement shipments. Compared with the previous year, all industrial exports, with the exception of processed foods, showed slight increases—Athens, Oct. 3.

NETHERLANDS

Currency Control Relaxed—The Netherlands Bank has announced a further easing of foreign exchange regulations. Netherlands nationals may now hold foreign currency in their own private banking accounts. Outstanding accounts in dollars, both Canadian and United States,

and in Swiss francs, must be collected in these currencies. This new method is welcome because part of the Netherlands Bank's foreign exchange will now be switched to the trading banks—The Hague, Sept. 17.

UNITED KINGDOM

Sterling Area Dollar Reserves—During August the sterling area had a surplus of $13 million in its balance of payments with the rest of the world. This compares with a surplus in July amounting to $89 million. At the end of August the sterling area gold and dollar reserves had increased to $2,469 million. A special transaction during the month was a payment of $39 million to Canada under the interest-free loan of 1942—London, Sept. 21.

Bank Rate Reduced—The minimum bank rate—the rate at which the Bank of England will make advances against approved bills of exchange—was cut on September 17th from 4 to 3½ per cent. The reduction, it is explained, was made to correspond with technical developments since the rate was last raised from 2½ per cent in 1952 and to ensure that it does not get out of line with market rates. The change does not signify any improvement in economic conditions nor does it involve any change in the tighter money policy—London, Sept. 23.

UNITED STATES

Southern Construction Drops—Construction contract awards in the Southern States totalling $1,571 million for the first five months of 1953 were down by $1,534 million compared with the same period of 1952. Reduction in contracts was widespread in all the Southern States except South Carolina, Missouri, West Virginia and the District of Columbia. Residential construction—apartments, hotels, and dwellings—dropped from $339 million to $172 million. Industrial awards dropped from $716 million to $330 million and public buildings from $416·8 million to $384·4 million. This is a significant development for Canadian suppliers of building materials such as lumber because they have been finding an increasing market for their products in the South—New Orleans, Sept. 15.

WEST GERMANY

International Monetary Fund Credits—The International Monetary Fund intends to grant ten-year credits to about 80-100 German export firms. The total value of the credits expected to become available this fall will be $20 million. Credits will be granted on condition that the investments to be made will increase the export capacity of the firms. The borrower must also prove that capital assets imported under the loan could not have been supplied in equal kind and quality by Germany itself or any other soft currency country. The rate of interest has not yet been fixed. It is expected, however, to be below current German rates—Bonn, Sept. 17.

Turkey Regulates Its Foreign Trade

With development schemes outrunning financial resources and trade deficits building up despite brisk sales, Turkey has had to revamp its foreign exchange and trade regulations.

ATHENS—No close observer of Turkey's economic situation was wholly unprepared for the new foreign trade and exchange regulations established on September 7, 1953, by Law No. 1360. For, despite general prosperity throughout the major trading areas and a trade that was brisk and lucrative both for the farmer and the middleman, and despite increased industrial development, serious difficulties have been building up over the months.

Deficits Called for Action

For two successive years, the increased scale of internal development has outrun Turkey's financial means. Accordingly, the foreign exchange position so deteriorated that stern measures became necessary to eliminate the trade deficit of £T226 million ($82 million) that piled up in the first six months of 1953. This deficit appeared at a time of record grain and cotton crops, of high exports of minerals, and of substantial U.S. military and economic aid.

The last quarter of the year normally sees the largest exports of grains, cotton, and dried fruits. The current year's trade might even have been balanced but for the large amounts Turkey still owes abroad for goods already imported but payment for which in foreign exchange still has to be approved. These remittances, estimated at as high as $100 million, have been pending since the end of November 1952 and are owed for the most part to British, West German and Belgian exporters. To pay off these arrears, foreign exchange reserves must be replenished by increasing exports or restricting imports. The new law is designed to achieve the goal by a combination of the two methods.

Summary of Regulations

The detailed application of Law No. 1360 is being published during September and October in various decrees, to be effective largely on November first, but it is possible to give a general summary.

The compensation trading system, through which much commercial import trade from the United States and Canada was carried on, is abolished from November 1. Countries with special bilateral clearing agreements will continue to trade with Turkey within the terms of those agreements. Trade with other countries, including Canada, will now be on the basis of free exchange but dollar exchange will be much more severely restricted than currencies of the European Payments Union.

For the purposes of these regulations, the commodities to be exported and imported are divided into six categories:

- Commodity List No. 1 includes all the items which may be exported from Turkey.

- List No. 2 selects from List No. 1 those goods for which an export licence is required.

Exports on a consignment or credit basis, re-export of goods imported but not cleared from customs, and the return to country of origin of goods purchased with foreign exchange are all subject to licence. However, the export of goods held "in transit" or imported on consignment in bond does not require a licence, provided that the party concerned can produce evidence that no foreign exchange payment was made on these goods.

- List No. 3 enumerates the items which may be imported without prior import licence from countries of the European Payments Union. It covers considerably less than the 60 per cent of EPU imports which previously comprised the "free" or liberalized list. No date for the enforcement of the new List No. 3 has yet been announced. Meanwhile, these imports will continue to require the prior approval of the Ministry in the same manner as for the past twelve months—and with the foreign exchange remittances being indefinitely delayed.

- List No. 4 details the goods which, from November 1 on, may be imported only against an import licence. It includes such things as agricultural machinery, office machines, linoleum, radios, refrigerators, vacuum cleaners, bicycles, motorcycles, and automobiles.

- List No. 5 specifies the commodities for which foreign exchange will be forthcoming only in special circumstances.

- List No. 6 covers the goods which may be imported on long-term credit. It includes agricultural machinery and tractors; diesel, kerosene and gasoline engines; wood and metalworking machinery, and most machinery and industrial supply goods.

Each application for an import licence must be accompanied by a deposit of 4 per cent of the value of the goods. If the licence subsequently issued is not used, the deposit is forfeited. This may prove helpful to the foreign exporter because it should eliminate the worst commercial risks.

Premium System Inaugurated

Decree No. 907, announced concurrently with Law No. 1360, for the first time provides for the application of premiums to imports and exports. List "A" attached to the decree details the imports subject to import premiums, which are to be credited to a special account with the Agricultural Bank of Turkey and applied to pay the export premiums for the goods in List "B".

List "A" includes such things as steel furniture (premium charged 75 per cent), linoleum (25 per cent), office machines (75 per cent), motor cars (weighing 1,300 kg. 25 per cent, or over 1,300 kg,. 50 per cent), refrigerators and vacuum cleaners (75 per cent), bicycles (25 per cent).

The majority of the goods which will profit from the new export premiums in List "B" were previously subsidized by the "compensation" system, under which the exporter could avail himself of the higher free

market rate for a certain percentage of the foreign exchange earned from each shipment of such goods. An important addition to the new list of subsidy through export premiums is raisins.

A premium of 50 per cent on the f.o.b. price of the shipment will be paid to the shipper for all List "B" exports from Turkey for dollar payment, one of 40 per cent for exports to be paid in sterling or other EPU currencies, and one of 25 per cent for exports to countries which have bilateral clearing agreements with Turkey.

—H. W. RICHARDSON
Commercial Secretary for Canada

Rice-Growing in Greece

ATHENS—Before 1920, rice was to Greeks an imported luxury sold at prohibitive prices. Following some haphazard experimental planting, the first domestic crop was harvested in 1920 and output slowly increased to 6,000 tons of paddy rice. When war broke out in 1939, Greece had five well-equipped rice mills plus some makeshift establishments scattered about in small towns. In addition to the local crop, these mills husked 30,000 tons of paddy rice imported mainly from Egypt.

The end of the war saw a comprehensive program to use extensive and potentially productive waste land. With irrigation equipment paid for by the United States and with the expert advice of American and Greek agriculturists, salt and alkali flats in continental Greece and the islands were washed of their salt deposits and irrigated. Eventually they yielded as high as 400 kilos of rice per acre. In 1952, 134 thousand hectares were planted with rice and a record crop of over 75,000 tons harvested. This year's harvest, from 139,300 hectares, is expected to be even greater—some 80,000 tons of paddy rice, yielding almost 50,000 tons of milled rice.

Much of this rice cultivation was originally undertaken as a short-term measure to prepare the soil for other crops. But the Greek peasant will continue to grow it, even on fields already suitable for other produce, as long as prices remain attractive at home and abroad. This year, up to 9,000 tons of milled rice may be exported. The Greek Ministry of Agriculture may have difficulty controlling this rice cultivation; on the other hand, local consumption has increased to over 40,000 tons of milled rice—one indication of an improved standard of living. Some 29 rice mills have been established to husk the rice grown and over $8 million a year is being saved in foreign exchange. The efficient and economic use of natural resources, which this rice story illustrates, is all-important for countries like Greece, with limited resources and a large population.

—H. W. RICHARDSON
Commercial Secretary for Canada

Trade and Tariff Regulations

BRAZIL

New Exchange Regulations—A cable just received from Rio de Janeiro reports that new exchange regulations for both exports and imports were introduced on October 10, 1953.

The exchange proceeds from all Brazilian exports must now be sold to the Bank of Brazil at the official rate of exchange. Coffee exporters will receive, in addition to cruzeiros at the official rate, an export bonus of five cruzeiros per U.S. dollar. The bonus applicable to all other Brazilian exports is ten cruzeiros per dollar. This gives an effective rate of 23.36 cruzeiros per U.S. dollar for coffee exports and 28.36 for all other exports.

On the import side, a system of exchange certificates has been introduced. Exchange certificates equal to 70 per cent of export earnings will be sold to importers in an auction market. The purchase of an exchange certificate gives the importer the right to buy exchange at the official rate.

Imports are divided into five categories in order of essentiality. Exchange certificates will be made available according to these categories. The cost of imports thus becomes the official selling (import) rate for the cruzeiro—18.82 to the U.S. dollar—plus the cost of the exchange certificate. Presumably the effective rate of exchange for imports will vary according to the category through the quantitative allocation of certificates for each group of imports.

Import licences already authorized are to remain in force. Exchange will be made available for the imports so authorized by the Bank of Brazil as exchange becomes available.

It has been unofficially reported that the 30 per cent of the foreign exchange earned from Brazilian exports the sale of which is not provided for through the certificate system will be applied against the commercial debts still outstanding.

INDONESIA

Exchange Regulations for Tourists—On September 14th, 1953, the Indonesian Foreign Exchange Control issued new regulations for foreign visitors and other non-residents who remain in Indonesia for only a short time. On arrival in Indonesia, visitors will be given the opportunity by customs officers to bring into the country, keep in their possession and take out of the country with them their foreign currency and securities, such as travellers' cheques and letters of credit for travelling. To this end they will be given a licence which

is valid for 90 days but may be extended on application. The customs officer will record in the visitors' passports the fact that they have been given a licence.

Only foreign currency and securities mentioned in the licence may be exchanged for Indonesian rupiahs. They may be negotiated only at the offices of designated banks. Foreign exchange which visitors do not intend to negotiate in Indonesia must also be recorded in the licence.

Visitors will be permitted to take out of the country goods valued up to 3,000 rupiahs without an export licence. This free export of goods is, however, only permitted in so far as the value of the goods corresponds to the amount of foreign exchange negotiated, as recorded in the licence by the competent banks—Djakarta, Sept. 24.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. His itinerary is:

Toronto—October 19-24
Welland—October 26
Hamilton-Brantford—October 27
Sarnia—October 28-29
Winnipeg—November 23
Vancouver—December 1-11

R. P. Bower, Commercial Counsellor for Canada in London, began a Canadian tour in Vancouver, October 5-9. His itinerary is:

Winnipeg—October 19-20
Niagara Falls—October 22-23
Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

T. R. G. Fletcher, Canadian Government Trade Commissioner in Hong Kong, completes his tour of Canada in Vancouver, October 6-19 and Victoria, October 20.

B. A. Macdonald, Commercial Counsellor in Bonn, Germany, completes his tour of Canada in Toronto, October 19-24, and Ottawa, October 26.

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, began a tour of Canada in Vancouver and Victoria, September 30-October 5. His itinerary is:

Toronto—October 15-20
Montreal—October 21-26
Ottawa—October 27-November 4
St. John's (Nfld.)—November 7

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, began a tour of Canada in Quebec City on October 5. His itinerary is:

Montreal—October 19-24
Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Montreal.

Chamber of Commerce—Brockville, Hamilton, Kingston, London, Niagara Falls, St. Catharines, Sarnia, Welland, Windsor.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Industry—Victoria.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Tours

Wiley J. Millyard, Commercial Secretary for Canada in Bogotá, Colombia, will begin a visit to Ecuador on October 24th in Quito. He will spend approximately ten days in that city, and the next ten days in Guayaquil. Businessmen interested in these areas should write Mr. Millyard at Bogotá as soon as possible.

Hugh Aitken, General Manager of the Export Credits Insurance Corporation, will be visiting Vancouver during the week of October 26. Businessmen interested in consulting him about export credits insurance should make an appointment through H. L. E. Priestman, 355 Burrard St., Vancouver.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01426.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 8*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1314	
		Basic buying	·1972	
		Preferential selling	·1972	(1)
		Basic selling	·1314	
		Free	·07097	
Austria	Schilling		·03792	
Australia	Pound		2·2100	
Belgium Luxembourg & Belgian Dependencies	Franc		·01978	
Bolivia	Boliviano	Official	·00519	
British West Indies	Dollar		·5755	(3)
	Pound		2·7625	(4)
	Dollar	Brit. Honduras	·6906	
Brazil	Cruzeiro	Official	·05329	tax 8%
		Free	·02532	(2)
Burma	Kyat		·2070	
Ceylon	Rupee		·2072	
Chile	Peso		·00896	(1)
Colombia	Peso	Basic	·3944	
Costa Rica	Colon	Official	·1756	(5)
		Free	·1484	*
Cuba	Peso		·9859	tax 2%
Czechoslovakia	Koruna		·1369	
Denmark	Krone		·1427	
Dominican Republic	Peso		·9859	
Ecuador	Sucre	Official	·06573	(6)
		Free	·05672	
Egypt	Pound		2·8312	
Fiji	Pound		2·4887	
Finland	Markka		·00429	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01549	
Germany	D Mark		·2347	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9859	
Haiti	Gourde		·1972	
Honduras	Lempira		·4930	
Hong Kong	Dollar	Free	·1638	*Oct. 1
Iceland	Krona	Official	·06054	
		Special buying	·04661	
		Special selling	·03755	
India	Rupee		·2072	
Indonesia	Rupiah	Basic	·08649	(7)
		Dollar certificate	·00187	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 8	Notes (See below)
Iran	Rial	Official	·03057	*
		Certificate	·00983	*
Iraq	Dinar		2·7606	
Ireland	Pound		2·7625	
Israel	Pound	Basic	2·7606	
		Special	1·3803	(8)
		Investment	·9859	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2994	
Mexico	Peso		·1140	
Netherlands	Guilder		·2595	
Netherlands Antilles	Guilder		·5228	
New Zealand	Pound		2·7625	
Nicaragua	Cordoba	Effective buying	·1494	(9)
		Official selling	·1398	
		With Surcharge I	·1224	
		With Surcharge II	·09810	
Norway	Krone		·1380	
Pakistan	Rupee		·2980	
Panama	Balboa		·9859	
Paraguay	Guarani	Basic	·06573	(1)
		With Surcharge I	·04694	(10)
		With Surcharge II	·03286	
Peru	Sol	Certificate	·05499	
Philippines	Peso		·4930	tax 17% (2)
Portugal	Escudo		·03440	
El Salvador	Colon		·3944	
Singapore & Malaya	Straits dollar		·3223	
South Africa (Union of)	Pound		2·7625	
Spain & Dependencies	Peseta	Basic buying	·04502	
		Basic selling	·08787	
		Basic commercial selling	·06002	(1)
		Free	·02502	
Sweden	Krona		·1906	
Switzerland	Franc		·2296	
Syria	Pound	Free	·2764	*Aug. 14
Thailand	Baht	Official	·07887	(1)
		Free	·05551	*July 31
Turkey	Lira		·3521	
United Kingdom	Pound		2·7625	
United States	Dollar		·9859	
Uruguay	Peso	Official	·6491	
		Basic buying	·5538	
		Special buying	·4195	(1)
		Basic selling	·5189	
		Special selling	·4024	
Venezuela	Bolivar		·2943	(11)
Yugoslavia	Dinar		·00329	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Israel: An additional effective rate of 1.80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
9. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
10. Paraguay: Basic rate applies to most Paraguayan exports.
11. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

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exhibit space taken, 40% more than t
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foreign **trade**

OCTOBER 24, 1953

Indonesia Battles Postwar Problems (page 5)

foreign trade

VOL. 14 OTTAWA, OCTOBER 24, 1953 NO. 356

/ER . . . Using a primi- instrument, this young an is mangling cotton to ve the stones. One of uggested cures for Indo- 's financial problems is ving up the productivity bour, partly by introduc- ew equipment. For the tory, turn to page 5.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each,

Mexico Woos the Tourist

With the coming of direct air service from Canada to Mexico, more Canadians may be visiting this North American neighbour, skilled in the techniques of entertaining the visitor.

MEXICO, D.F.—Last year, over 473 thousand tourists visited Mexico, attracted by the country's mild and equable climate, its sunny skies, friendly and pleasant people, and its wealth of historic and archaeological interest. About 95 per cent of these visitors came from the neighbouring United States, about four to five thousand from Canada, and a much smaller number from Guatemala, other countries in Central America, and from Europe. These are all travellers touring the interior; in addition, millions pay brief visits to the Mexican border cities.

Back in 1947, only 275,300 tourists came to Mexico and the total revenue from the tourist industry reached only $81 million. Since then, the flow of tourist dollars has steadily increased—to $87 million in 1948, $100 million in 1949, $130 million in 1950, $157 million in 1951, and $205 million in 1952.

Government Encourages Tourist Industry

The Mexican Government early recognized the importance of the tourist industry and a Federal Tourist Bureau, organized under the Department of the Interior, has been in operation for a number of years. This Bureau publicizes Mexico as:

- A vacation-land.
- A locale for conventions, business meetings and scientific gatherings.
- A site for the Pan-American games.
- A permanent residence for United States pensioners.

Mexico's fortunate position next to the United States has been a major factor in the great influx of tourists but the rapid development of the industry during the past ten years has only been possible because of improved communications. A network of new and better roads throughout the country, plus the ease of air travel between the United States and the main Mexican cities, has attracted travellers in increasing numbers.

Travel Lighter This Year

So far this year, there has been cause for uncertainty. In the first seven months only 231,825 visitors arrived, compared with 250,001 for the first seven months of last year. The Coronation no doubt diverted some tourist traffic to the United Kingdom. More disquieting, however, is the feeling that unfavourable publicity in the United States on alleged

Guadalajara, situated at an altitude of over 5,000 feet, has a distinctly Spanish flavour and attracts many tourists. The photograph shows the old Governor's Palace, which dates from 1643.

over-charging in some tourist centres, on poor service and on thefts from visitors had contributed to the down-trend. The late fall is, however, a popular time to see Mexico and tourist travel will no doubt pick up.

The drop in tourist entries immediately brought measures to counteract this trend. In May a new director of the Mexican Tourist Bureau was appointed and a National Tourist Council established. The Council co-ordinates the activities of official and unofficial organizations devoted to promoting domestic tourism, extends Mexico's publicity program abroad, and fosters the revival and continuance of the country's more colourful fiestas and pageants to serve as tourist attractions.

The official Tourist Bureau is encouraging the building of new hotels and motor courts, restaurants and other tourist facilities, some with the aid of government loans. The Bureau also inspects hotels and restaurants and is granting official "seals of approval" only to those which meet rigid sanitary and health standards.

The Government is also bent upon improving methods of travel to and within the country. New and better roads are being built. The super-highway between Mexico City and Acapulco, scheduled for completion in early 1954, will cut motoring time between the two centres from 11½ to 6½ hours. The new highway from Nogales at the U.S.-Mexican border to Guadalajara should increase the number of tourists from the west coast of the United States.

78622—1½

On August 27th the National Railways of Mexico provided a new train service between Laredo and Mexico City. This luxury train offers, at no extra cost, air-conditioning, hot and cold showers, compartments, observation car and bar, and stewardess service.

The Tourist Bureau suggested to United States airlines operating to Mexico that they offer coach fare services to encourage Mexico-bound tourist traffic. Now American Air Lines has announced that its air-coach service will begin on November 29th. Suggested fares, still subject to the approval of the Mexican and United States Governments, are:

ONE WAY	San Antonio	—Mexico City	$ 34.00 U.S.
	Chicago	—Mexico City	$ 76.00 U.S.
	Washington	—Mexico City	$ 97.00 U.S.
	New York	—Mexico City	$ 99.00 U.S.
	Boston	—Mexico City	$106.00 U.S.

Entry into Mexico

To cut the red tape of entry into Mexico to a minimum, the Government has adopted three measures:

- The "multiple-crossing" tourist card, which will permit foreign visitors to enter and leave Mexico as many times as they wish within a six-months' period. Previously tourists were allowed only one crossing on each card.
- Mexico border visitors may enter the country for 72 hours with no other documents but identification papers.
- International communications lines may issue tickets to Mexico without requiring travellers to show tourist cards, with the understanding that these cards will be issued at Mexican ports of entry.

Travel from Canada

Canadian tourists to Mexico have a choice of travel by road, rail or air. The network of railways and roads in Canada, the United States and in Mexico make any centre in the latter readily accessible from any place in Canada.

Air passengers from Canada going to Mexico move via various United States airports such as those at New York, Chicago, Los Angeles, etc. On October 17th Canadian Pacific Air Lines inaugurated a direct, non-stop ten-hour service from Vancouver to Mexico City. Before the end of the year, Trans-Canada Airlines will be offering direct service from Montreal and Toronto to Mexico. These two services should increase the flow of Canadian tourists to Mexico from both the east and the west.

With the exception of the United States, no country is as accessible to Canadian tourists as Mexico. Ease of travel, no foreign exchange difficulties, excellent climate, natural beauty and a friendly people—all these should attract Canadians wishing to visit a foreign country. They can find them all in Mexico—and enjoy an interesting and happy vacation.

—S. G. Tregaskes
Assistant Commercial Secretary for Canada

Indonesia Battles Postwar Problems

Budget deficits, an unfavourable balance of trade, and difficult internal problems are hampering Indonesia's economic advance. These conditions, and the steps that might be taken to improve them, are highlighted here.

DJAKARTA—The economic development of Indonesia during 1951 and 1952 was affected by a number of factors, both internal and external. Chief among these were the sharp decline in world prices for Indonesian exports, the rise in imports, sparked by domestic inflation, and the large budget deficit. The unsettled conditions in many parts of the country, labour unrest, and low productivity added to the Government's problems.

A clear picture of the situation is contained in the annual report of the Bank of Java (now the Bank of Indonesia), for the financial year 1952-53. In dealing with the budget deficit, for example, the Bank asserts that the Republic is obviously living beyond its means. The 1951 budget showed a surplus of almost 1,200 million rupiahs—the effect of the Korean war, which brought a marked but short-lived improvement in trade. In 1952, however, this surplus turned into a deficit of 4,327 million rupiahs—the largest since Indonesia received her independence.

Foreign Exchange Problem

The budget deficit aggravated the inflation which, in turn, resulted in a considerable difference between the official and unofficial rates of exchange for the rupiah, hampered legal exports, stimulated smuggling, and increased the demand for imported consumer goods. The foreign exchange position deteriorated so sharply that the Government was compelled to take action.

On February 4, 1952, the Indonesian foreign exchange system was radically changed by repealing the foreign exchange certificate system and introducing uniform buying and selling rates for foreign currency. Dollar export certificates were instituted to halt the drain on Indonesia's dollar reserves. As a further step, the previous system of extra taxes on certain classes of imports (originally called the "inducement system") was extended and extra export duties imposed on strong and semi-strong products to bring in additional revenue, replacing to some extent the profits from the old system of foreign exchange certificates.

At the end of 1952, the gold holdings of the Bank of Java and the foreign exchange held by the Foreign Exchange Fund totalled 2,026 million rupiahs, compared with 4,247 million rupiahs at the end of 1951.

Indonesia's net debtor position for 1952 increased by approximately 3,382·6 million rupiahs, largely because of the deterioration of the terms of trade. Actually, the balance of payments with the hard currency area

showed no change compared with 1951. The 1951 surplus with the soft currency area, however, turned into a large deficit in 1952. In fact, dollar exchange to the value of 2,119 million rupiahs had to be changed into other currencies to close this gap.

The Foreign Trade Picture

The foreign trade of Indonesia for 1952 totalled 20,920 million rupiahs, with exports valued at 10,387 million rupiahs and imports at 10,533 million rupiahs. In the previous year, total trade amounted to 23,520 million rupiahs, with exports at 14,340 million rupiahs and imports at 9,180 million. The unfavourable balance of trade for the past year thus reached 146 million rupiahs, as compared with a favourable balance of 5,160 million rupiahs in 1951. The United States, Singapore and the Netherlands were the chief markets for Indonesia's exports in 1952, taking 2,659, 2,542, and 2,201 million rupiahs' worth of products, respectively. The chief sources of supply were the United States (1,806 million rupiahs), Japan (1,455 million rupiahs), and the Netherlands (1,353 million rupiahs). During 1952 imports from Canada were valued at 88 million rupiahs; exports to Canada amounted to 14 million rupiahs.

Need for Action

All these developments—the budget deficit, the fall in foreign exchange reserves, and the unfavourable trade balance—made further measures imperative. The temporary prosperity during the early part of the Korean war had led many Indonesians to believe that their troubles were behind them. When financial and other difficulties returned, it was not a simple matter to convince some of them—particularly the inhabitants of the outer islands—that various rehabilitation and reconstruction schemes, planned or under way, would have to be discontinued.

The budget deficit for 1953 is estimated at 1,794 million rupiahs—a considerable improvement over 1952. The Bank sounds a warning that for the 1953-54 financial year, the deficit should not exceed 2,500 million rupiahs, or the Government will be forced to draw on its last foreign exchange reserves. And the level of taxation, says the report, is already too high. Those individuals and private enterprises which pay their taxes in full have practically no money left to set aside as reserves for bad years nor to plough back into their businesses to improve or expand them. High taxation also encourages tax-dodging and the present taxation machinery is inadequate to cope with this problem.

The Bank suggests two ways in which the Government might attack this problem—first, by stepping up productivity in industry with as little extra government outlay as possible and second, by seeking foreign aid. In saying this, it makes clear that productive enterprises in Indonesia are fewer than they were before the war, and the income per capita at the most only 60 per cent of the 1938 figure.

The first approach—stepping up productivity—has its dangers. These do not lie in the possibility of economic advance being interrupted by deflation, but in the numerous regulations introduced and departments set up to carry out these regulations, which largely protect the native sector of the economy and the weaker groups. The difficulty of obtaining various permits has discouraged the establishment of new enterprises and

the expansion of others. Moreover, various new bodies, the so-called "Jajasan" (corporations) have been set up and given a monopoly over the sale and purchase of cambrics, cloves, etc.

Improving the productivity of labour is only possible in a sustained atmosphere of peace between labour and management. The Bank's report asserts that the Government must withdraw the regulation fixing a seven-hour day and a 40-hour week—a luxury which a country as poor as Indonesia cannot afford and which Japan, Italy and Germany, for example, have not adopted. The reintroduction of the eight-hour day would also eliminate the heavy drain of overtime pay.

Securing Foreign Aid

The second solution which the Bank recommends is the securing of foreign aid. Though Indonesia suffered severe damage during the war, reconstruction assistance from such sources as the United States Government, the Export-Import Bank, and the Netherlands Government has totalled a mere 2,286 million rupiahs. There are two main sources of foreign aid to which Indonesia can now turn—the United States and the International Bank for Reconstruction and Development. Because the country has received so little foreign aid, the International Bank may well be willing to extend large loans for increasing production once Indonesia becomes a member of the International Monetary Fund.

There is, of course, a third solution which the Government is also trying—increasing export trade, both with countries inside and outside the Iron Curtain.

If the Government persists in its efforts along all these lines, and the Indonesians themselves co-operate in making these measures work, the possibility of a balanced budget should come nearer—and may not be delayed as long as 1956, as the Bank now believes probable.

—W. D. WALLACE
Commercial Secretary for Canada

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Norway in 1953 . . .

With earnings from exports and from the merchant fleet down, the balance of payments in 1953 is showing a deficit. Imports from Canada, however, have risen slightly.

OSLO—The downward trend in Norway's economy noted in the last six months of 1952 carried on into the first half of this year. Activity generally continued brisk, but little further progress was made in industrial production and the earnings of the export industries and the merchant fleet appear to have stabilized at too low a level to cover foreign exchange expenditures. The deficit on the balance of payments is therefore a dominant feature. The rise in internal prices which marked 1952 has not continued into 1953.

One evidence of the Government's anxiety over the foreign exchange position was the publication on August 12th of a confidential circular addressed to the banks on June 26th by the Ministry of Finance. This circular exhorted the banks to adjust their credit-granting policies with the object of restricting imports, especially of less essential consumer goods, and encouraging or maintaining production which could take the place of imports.

Main Developments

In the winter months, seasonal unemployment was somewhat higher than in preceding years. Present wage levels generally were extended for one year and the labour situation during the first six months remained quiet. Weather conditions have been favourable and crop prospects are good. For whaling and fishing, which are mainly concentrated in the early part of the year, the weather was unfavourable both in the Antarctic and on the Norwegian coast and the production of the great seasonal fisheries has been unsatisfactory. Industrial production increased slightly less than 1 per cent from 1951 to 1952 and there has been little change in 1953.

The volume of imports has increased since 1952 but the fall in prices meant that the total value of commodities imported increased only slightly. The volume of exports during the first half of 1953 was about the same as in 1952. The decline in export prices was greater than in import prices and the result was less favourable terms of trade.

The main problem in 1952 was prices. In contrast to most countries, Norwegian prices continued to rise throughout 1952. The cost-of-living index, however, showed only unimportant changes in 1953; the May index was 135, or one point below the record high. In June, despite strong opposition by all non-socialist parties, a permanent Price Control Act was passed by the Storting (Parliament), an Act which incorporated most of the emergency price legislation in effect since the outbreak of World War II.

The Bank of Norway estimates that the total deficit on the balance of services and goods in 1953 will be about 900 million kroner. This deficit involves mainly European Payments Union currencies; dollar revenues are expected to be approximately equal to dollar spending. The holdings of gold and dollars will be reduced in the course of the year, however, by payments due to EPU because of the utilization of the credit quota with the Union. From the beginning of this year until the end of June, Norway had a deficit with EPU of $43 million. In addition, she had drawn $16·6 million as of December 31, 1952. Under the formula used for settling EPU deficits, this has meant payments this year in gold and dollars to the Union equivalent to $9·9 million. As the deficit increases, so does also the proportion which must be settled in gold or dollars. There were, however, several other factors contributing to the deficit on the balance of payments, as will be seen from the following sections of this report.

From April 1948 up to and including March 1953, Norway received financial aid from the United States to a total value of $438·7 million, or about 2,800 million Norwegian kroner, and since the Offshore Procurement Program was introduced Norway has obtained contracts for $16 million worth of military equipment.

Foreign Trade

During the first half of 1953 the value of commodity imports totalled 2,865 million kroner, compared with 2,861 million for the same period of 1952. Imports of ships showed a marked increase, rising in value from 280 million kroner in January-June 1952 to 457 million kroner in 1953. The total value of all imports rose from 3,141 to 3,322 million kroner; the total value of exports dropped from 2,166 million kroner in the first six months of 1952 to 1,768 million kroner in 1953. Five groups showed an increase in import values ranging from 20 to 40 million kroner: articles of clothing, vegetable foodstuffs, textiles, fuel, and machinery. Other commodity groups, such as ores and metals, wood, oils and fats, and chemicals showed a marked decrease in import values. Export values declined even more noticeably, paper pulp decreasing by 37 per cent, paper and cardboard by 39 per cent, fish and fish products by 21 per cent, and fats and oils by 25 per cent. Norway's imports from Canada rose in value from 132·4 to 151 million kroner and exports to Canada declined from 10·2 to 7·7 million kroner, with fish and fish products showing the biggest losses.

Industrial Situation

For the first four months of 1953 the index of industrial production was 156, compared with 155 for the same period last year. This overall stability, however, conceals wide variations in detail. The index for industries producing for the home market increased from 158 to 161 but the index for export industries dropped from 151 to 147. Among industries with reduced output compared with last year canning had the largest decrease, the production index declining from 151 to 83. The index for the pulp and paper industries declined from 130 to 125; the textile industry showed little change compared with last year. Mining and metal extraction, however, increased production by 16 per cent over 1952.

During the first half of 1953 shipping freights became more stable. However, while the foreign exchange earned by shipping in 1952 amounted to 2,000 million kroner net, this figure may be reduced to about 1,600 million kroner for 1953. This item alone therefore increases the deficit on the balance of payments by some 400 million kroner. On June 1 of this year, 31 vessels totalling 54,179 gross tons were laid up, compared with 21 vessels totalling 53,245 tons on January 1. The latest available figures covering Norwegian tonnage were published on January 1, when the merchant fleet consisted of 2,191 ships aggregating 6,043,000 gross tons. Of these, 366 were tanker vessels, totalling 3,107,000 gross tons.

Because of unfavourable weather conditions in the Antarctic during the 1953 whaling season, the output of whale oil was smaller than in recent years—812,686 barrels, or 323,957 barrels less than last year. As oil prices were also lower, the value of production declined about 40 per cent.

Fisheries and Agriculture

Bad weather also resulted in poorer catches for the fisheries. The catch of winter herring amounted to approximately 23·8 million bushels, compared with 29 million last year and the record 31·4 million in 1951. For cod the decline was even greater; the total catch was 111,770 tons compared with 161 thousand tons in 1952. The effect of these setbacks will be felt by the fish processing industries, as the supply of raw materials is insufficient to keep plants working at capacity. This in turn will affect export figures.

Crop prospects this year are reported good and sales of animal products have increased since last year. The number of pigs slaughtered, for instance, increased from 97,227 in the first quarter of 1952 to 131,185 during the same period of 1953. Milk deliveries to the dairies also increased sharply, stimulated by higher subsidies on milk. During the first four months of the year deliveries totalled 348,481 tons, or 13 per cent more than in the corresponding period last year.

—J. L. Mutter
Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

FAIRS and EXHIBITIONS

Rhodes Centenary in Review

JOHANNESBURG—"Shop window for the continent of Africa" —this was the name given to the great Central African Rhodes Centenary Exhibition, held in Bulawayo last summer to commemorate the 100th anniversary of the birth of Cecil John Rhodes. In the three months of the Exhibition, over a million people passed through the turnstiles to see the government and industrial pavilions designed to focus attention on the growth and continuing development of the Rhodesias.

Every country and major industry in Africa south of the Sudan participated. On the fifty acres of parkland set aside in the heart of Bulawayo there were displays of the products and culture of French Equatorial Africa, Uganda, Belgian Congo, Angola, Kenya, Nyasaland, Tanganyika, Zanzibar, Portuguese East Africa, the Union of South Africa, Madagascar, and Reunion. In addition, the wares of over 250 business houses were exhibited in the Commercial Section.

Commercial Exhibits

These displays in the Commercial Section ranged from large stands with working models to kiosks and showcases. Many exhibitors found it impossible to man their booths for the three-months period and used prestige displays that did not require attendants. Others decided that after paying 30/– ($4.20) a square foot for space, it was in their own interest to have someone on hand to promote the sale of their products. No matter which method was used, the results were gratifying. A Southern Rhodesian who recently started to assemble pianos and could not afford to man his booth received numerous inquiries for the pianos he displayed. A South African food processor learned so much about Southern Rhodesian fruits and vegetables while tending his booth that he decided to open a canning plant in the Colony.

A few months before the Centenary opened, the Southern Rhodesian Government agreed to provide exchange for exhibitors wishing to display goods from dollar countries. One enterprising manufacturers' agent took advantage of the offer and brought in six Canadian stoves which he displayed at his booth. Their reappearance in the Colony caused quite a stir but because Southern Rhodesian exchange controls prohibit their import, the agent spent most of his time explaining to housewives why they couldn't be bought in local stores.

The only other firms that took advantage of the Government's offer of dollar exchange were the automobile companies of North America. Here again, the large American-type cars displayed provoked a good deal of comment but there were no sales because cars are not allowed into the country at the present time.

As one exhibitor said, "Anyone who booked space with the idea of recovering the expense of participating from on-the-spot sales was foolish. We look upon exhibitions of this nature as a media for advertising our products and do not expect immediate results from our display here any more than we would from a magazine advertisement."

Although no record was kept of business visitors, Exhibition officials estimate that of the one million people who passed through the gates, at least 100 thousand were businessmen. Close to 90 per cent of them were from the Union of South Africa and the Rhodesias, and the remainder from Portuguese East Africa and other African countries. About a hundred United Kingdom and European businessmen came to see the Exhibition but visitors from Canada and the United States were, naturally enough, rather few.

—HOWARD E. CAMPBELL
Assistant Canadian Government Trade Commissioner

Sportswear and sporting equipment were displayed at the Canadian Showroom in Rockefeller Centre during September and October. Several of the exhibits, like the one above, introduced a welcome note of humour.

Preview of Home Furnishings

CANADA INSPIRED the contribution of one leading United States interior decorator at the fifth annual National Home Furnishings Show recently in New York. William Pahlmann's room at the Show displayed the study of a Canadian explorer in British Columbia. Among its distinctive decorations were handicrafts from Quebec, old wood carvings from the Pacific Northwest, and a large painting, "Northern Lights", by Canadian painter Roloff Beny.

Held from September 17th to 27th at the Grand Central Palace, the show gave the public a preview of the future in home furnishings. Over 400 manufacturers showed more than $5 million worth of merchandise, including furniture, floor coverings, curtains and draperies, lamps, major appliances, antiques, china, silver, glass and accessories.

The show struck an international note with rooms specially designed to illustrate international contributions to American design. Each nation represented had its special day. On "Canada Day", M. B. Bursey, Consul of Canada and Trade Commissioner, and C. E. Butterworth, Vice-Consul and Assistant Trade Commissioner, officiated at the opening ceremonies.

Fair Calendar

IN NORTH AMERICA:

- *5th International Exhibition of the Screen Process Printing Association, New York*—Nov. 1-5, Hotel Statler. Apply: Dan Novak, Screen Process Printing Association Inc., 549 West Randolph Street, Chicago 6.
- *Packaging Association, Toronto*—Nov. 3-5, Automotive Building, Exhibition Park.
- *Montreal Tool and Equipment Show*—Nov. 9-13, in the Showmart. Apply: E. M. Wilcox, 19 Melinda St., Toronto, or F. Lavery, 2745 Barclay St., Montreal.
- *Automotive Transport Association, Toronto*—Nov. 20-23, Automotive Building, Exhibition Park.
- *Montreal Truck Show*—Nov. 20-27, in the Showmart. Apply: Jean Blanchard, Room 106, Showmart.

IN EUROPE:

- *6th Salon for Packaging and Conditioning Industries, Brussels*—Oct. 31-Nov. 15. Apply: Salon de l'Emballage et des Industries Connexes, 10 Place de Brouckere.
- *24th International Food and Home Exhibition, Brussels*—Oct. 31-Nov. 16, Grand Palais du Centenaire. Apply: S.I.M.P.A., 8-10 Place de Brouckere.
- *3rd Children's Wear Trade Fair, London*—Nov. 2-5, in Royal Horticultural Society's Old Hall. Apply: National Children's Wear Association, 81 High Holborn.

Trinidad as an Outlet for Chemicals

This study of the market for chemical products in the colony should prove useful to the Canadian chemicals exporter. It examines prospects and explores the difficulties.

PORT OF SPAIN—In 1952, Trinidad imported nearly BWI$12 million worth of chemicals and allied products. Canada supplied about BWI$1·5 million of this, or 14 per cent of the total—ranking next to the United Kingdom, which supplied nearly 68 per cent and was the leader in nearly every category.

One of the reasons for British dominance in this market is, of course, the dollar shortage, which has compelled Trinidad for the time being to buy most of its chemicals in soft currency markets. Canada's share at the moment is limited to the commodities which she has traditionally supplied, such as barytes, and to those which she can sell under the BWI Trade Liberalization Plan, such as various chemicals, paint, pharmaceuticals, and soap. But when the import restrictions on dollar goods can be relaxed, Canadian chemicals exporters should be able to obtain a larger share of the business, because their products enter Trinidad under the British preferential tariff rates.

What Trinidad Buys

What chemical products sell best in the Trinidad market? To answer this, one has only to study the colony's two basic industries—petroleum mining and refining (which also produces some chemicals for export) and agriculture, especially the growing of sugar cane, cocoa, and citrus fruits. The slowly expanding manufacturing industries are beginning to use some chemicals and the service industries buy a surprising variety of chemical products, though in fairly small amounts. The biggest seller was manufactured fertilizers—about BWI$1·8 million in 1952. Other products chalking up over a million dollars' worth of sales were pharmaceuticals, paints and pigments, cosmetics and soap, chemical elements and compounds, and barytes. Explosives, perfumes and flavouring, mineral tar and dyes, and "miscellaneous chemical materials and products" sell in smaller amounts.

What Canada Sells

Barytes, to a value of nearly BWI$1 million, ranks as Canada's largest chemical import into Trinidad. The following other Canadian chemicals sold well in the colony last year:

Commodity	Total Sales	% of Total Market
Paints and pigments	BWI$236,000	15
Pharmaceuticals	163,000	10
Chemical elements and compounds	114,500	10
Calcium carbide	100,000	75
Soaps and cosmetics	85,000	5
Caustic soda, other inorganic chemicals	10,000	..

The United Kingdom supplied Trinidad with most of its paint; pharmaceuticals (smaller amounts come from British Guiana and the U.S.); soap and cosmetics.

In certain fields, Canada has not been able to compete seriously. One is manufactured fertilizer. Of nearly 14,000 tons imported, the United Kingdom supplied the major portion, with lesser amounts coming from the Netherlands, Belgium, France, and Western Germany. Similarly, Canada did not sell any insecticides, imports of which were valued at more than half a million dollars. These came from the United Kingdom, the United States, Hong Kong, Japan, France and China.

The United States during 1952 ranked third, after Canada, as a source of supply for chemical products and its sales included limited amounts of chemicals and pharmaceuticals, turpentine, insecticides and miscellaneous chemical products. Other countries selling small amounts during the year were British Guiana (pharmaceuticals), France (inorganic chemicals and insecticides), The Netherlands (fertilizers and chemicals), Belgium (inorganic chemicals and fertilizers), Greece (barytes), Hong Kong (insecticides), West Germany (chemicals and fertilizers). Australia, New Zealand and South Africa also appear on the list of minor suppliers.

Chemicals for Agriculture

Chemical fertilizers are used widely in the growing of sugar cane, with sulphate of ammonia in the lead. Close to 9,000 tons a year are used in the cane fields and most of it comes from Britain. Other 1952 imports for the sugar estates included 1,000 tons of superphosphate, chiefly from Holland and Belgium, approximately 1,000 tons of sulphate and muriate of potash, principally from France and Germany, and smaller amounts of nitrate of soda. The sugar estates also use some 2-4-D as a weed killer and benzene hexachloride as a protection against the "frog hopper".

The cocoa plantations in Trinidad are making increasing use of chemical fertilizers, principally complete compound fertilizers and lesser amounts of sulphate of ammonia, muriate of potash and superphosphates. Under the Government's Cocoa Rehabilitation Scheme, a new species of cocoa plant is being developed and distributed to planters. The Government also distributes free fertilizer for these new trees, to be applied under the supervision of the Department of Agriculture. In 1952, 250 tons were used in this way and during seven months of 1953, nearly 900 tons. The cocoa planters are also experimenting with chemical insecticides and fungicides.

In the Citrus Industry

In the citrus fruit industry of Trinidad, the hilly terrain and the abundant growth of weeds limit the use of chemical sprays. However, it is estimated that the Co-operative Citrus Growers Association and other distributors supplied substantial quantities of fertilizers to the growers last year, including 350 tons of sulphate of ammonia, 75 tons of potash, 40 tons of superphosphate, 25 tons of basic slag, and some magnesium. The use of such fertilizers is a recent development in the citrus industry and is growing.

Chemical fertilizers have proved their value in this grapefruit plantation in Trinidad's Santa Cruz Valley. Citrus fruit growers are using these fertilizers in increasing amounts.

Many of the large coconut plantations have fertile soil which does not need chemical fertilizers. However, plantations on poorer soil are beginning to use them and an estimated 150 tons of sulphate of ammonia and 50 tons of muriate of potash went to various coconut growers during 1952. The industry is currently worried about the ravages of "red ring", a parasitic disease. Measures to eradicate this and other diseases may call for chemical specialties.

Vegetable growers and market gardeners in Trinidad use some chemical fertilizer, much of which they purchase from the Marketing Board of the Department of Agriculture. During 1952 this Board distributed over 55,000 lb. of fertilizers. Over half of this was sulphate of ammonia and the rest powdered garden fertilizer, muriate of potash, granular garden fertilizer and superphosphate. The use of fertilizers on the rice fields and of insecticides and fungicides has not made much headway.

Oil-producing and refining companies in the colony consume more than forty types of imported chemicals. Annual imports of barytes for the oil industry equal 20,000 tons; the peculiar nature of the soil requires the use of high-grade barytes as a drilling mud and Canada is established as the principal supplier. Some Brazilian competition may develop if plans for the processing of crude Brazilian barytes in Trinidad take shape. Also imported in quantity for the oil industry are caustic soda, catalysts of alumina silica gel and vanadium, sulphate of alumina, lime, quebracho, sodium hexametaphosphate, and ethyl fluid.

The match manufacturing industry in Trinidad supplies chiefly the home market and nearby islands and the scope is therefore limited. Of about twenty chemicals used, the principal ones are sulphur, phosphorus, oxides of iron, oxide of zinc, chlorate and bichromate of potash, ammonia, and antimony.

The Trinidad glass-bottle industry imports each year about 300 tons of soda ash, 125 tons of feldspar, and smaller amounts of nitrate of soda, salt cake, arsenious oxide and selenium.

The sugar factories buy abroad nearly twenty types of chemicals. The principal ones, according to annual consumption, are soda ash (100 tons), refined roll sulphur (63 tons), caustic soda (25 tons), titanium chloride (11 tons), and muriatic acid (5,272 gal.).

Trinidad has a well-established industry processing copra into soap and edible oils. Several hundred tons of caustic soda and sodium chloride are consumed annually in this process and smaller quantities of silicate of soda, hydrochloric acid, ferric chloride, soda ash, sulphuric acid, and some ten other chemicals.

A new paint factory to open near Port of Spain in the near future will produce 30 tons of paint a week for home use and export. This will provide a market for colourings and paint ingredients but will mean added competition for prepared paints now reaching Trinidad from Canada. Another new industry which may alter the trade in some chemicals is the cement plant under construction near San Fernando.

The colony has a small industry producing animal and poultry feeds. Among the ingredients used are prepared compositions of trace minerals, riboflavin, penicillin and vitamin additives.

Chemicals for Water Treatment

The Works and Hydraulics Department of the Government of Trinidad uses some chemicals to purify water, including about 42,000 lb. of bottled chlorine a year. Two-thirds of this is purchased in 16-cwt. drums and the remainder in 150-lb. cylinders. In rural areas, some 500 gallons of sodium hypochlorite are used each year. Annual purchases of aluminum sulphate amount to 170 tons, and copper sulphate and activated carbon are used occasionally.

Finally, the many smaller service industries in the colony—such as laundries, garages, machine shops, welders, ship chandlers, food and beverage processors and many others—use small amounts of chemicals.

—Roger Parlour
Assistant Canadian Government Trade Commissioner

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad..................October 3

Head Office Directory..........................October 10

Area Breakdown, Foreign Trade Service......September 19

Foreign Commercial Representatives in Canada....August 8

Commodity Notes

ARGENTINA

Meat—Residents of Buenos Aires are queueing earlier and longer these days in an effort to obtain a reasonable choice from the seriously decreased supply of meat, especially beef. The queues, the fact that frozen beef is often all that is available, and the petitions for relief being sent to the Government by rural organizations are all evidence of the shortage. One week in September was officially declared "Fish Week"; posters exhorted the people to eat more fish and government-operated booths at busy intersections offered free samples.

August entries of cattle into Liniers Market which supplies the city were, at 150 thousand head, down 42 per cent from the 1949-52 average and well below last year's unsatisfactory level of 180 thousand head. Marketings are expected to increase seasonally beginning next month, but it seems most unlikely that Argentina's export commitments for the year will be met, at least for fresh and frozen beef—Buenos Aires, Sept. 15.

FRENCH GUIANA

Timber—Timber areas in French Guiana are reported to contain 300 cubic metres of timber per hectare, of which 100 cubic metres are exploitable. A comprehensive river system would reduce transportation costs, although lack of adequate capital and markets is a handicap. Among the species found are walaba, coupi, galata, crabwood, mahogany, purple heart, snake wood and partridge wood—Port of Spain, Sept. 14.

JAMAICA

Cement—The franchise granted to the local cement factory permits higher prices, but the company has reduced its price by five pence a bag to a controlled price of nine shillings and eleven pence—Kingston, Sept. 11.

MEXICO

Paper—Despite the growth of the Mexican paper manufacturing industry, imports of paper of many varieties still are increasing. The Department of Statistics of the Secretariat of National Economy states that imports in 1952 amounted to 104,905·8 metric tons, valued at more than 180 million pesos. Comparative figures for 1950 and 1951 were 54,298 and 87,000 metric tons. In the first five months of this year 19,223·3 metric tons were purchased abroad, to a value of 39·1 million pesos.

Newsprint, of which Canada is the principal supplier, in 1952 accounted for 81,026 metric tons valued at 95·6 million pesos—Mexico City, Oct. 1.

NETHERLANDS

Coffee—Amsterdam coffee trade circles are confident of a favourable decision soon on the re-opening of the coffee futures market, which has been closed since 1939. Negotiations have progressed favourably following the recent improvement in the Netherlands foreign exchange and balance of payments position. It is hoped that, in addition to the futures market for coffee, a similar market for cocoa will be set up this year—The Hague, Sept. 23.

NORTHERN RHODESIA

Copper—Proven reserves of the new copper field on the Northern Rhodesia-Belgian Congo border exceed 80 million short tons, with a 3·6 per cent copper content. When production begins in 1958, the project will handle 150 thousand tons of ore a month and produce 1,000 tons of copper a week—Cape Town, Sept. 17.

PHILIPPINES

Fertilizer—One result of the intensive efforts of F.O.A. (formerly M.S.A.) agricultural advisers to stimulate food production in the Philippines is seen in reports of increasing sales of fertilizers. During the three months ending June 30, 1953, 289,834 bags of fertilizer were distributed to 40,660 farmers, 72 per cent more than in the same quarter of 1952. Of this year's distribution, 54·6 per cent was sold for cash—Manila, Sept. 23.

SPAIN

Oranges—Orange exports for the present season will reach a total of 900 thousand metric tons, states an official report. This constitutes a record—Madrid, Sept. 16.

Currency Paper—A new factory was recently opened at Burgos to make currency paper, formerly imported from England. It is officially reported that this new factory will make Spain self-sufficient in this commodity—Madrid, Sept. 19.

UNITED STATES

Sardines—In its 48 canning plants, Maine now packs some 300 million cans of sardines a year valued at $20 million. More than 1,200 persons are engaged in sardine fishing and the catch last year was valued at $1¾ million. The industry has launched a nation-wide campaign financed by a 25 cent per case state tax imposed in 1951 at the industry's request. The yearly budget runs from $500 thousand to $800 thousand with 27 packers and 44 plants participating—Boston, Oct. 7.

Chemicals IV

The Versatile Primary Plastics

With output of primary plastics up 500 per cent in the last ten years, Canada ranks today among the world's major producers—and many new projects are taking shape.

OTTAWA—Plastics manufacturing is developing at a rate which clearly indicates that, in time, it will become one of the most important segments of Canada's chemical industry. It is, at the same time, one of the most difficult to define because primary plastics production is often closely integrated with that of similar industrial chemicals. We know, however, that some seventeen plants—which currently provide employment for about two thousand people—are turning out about $25 million worth of resins and other plastic materials a year in this country.

Already among the world's major producers, these Canadian manufacturers have been exporting between one-quarter and one-third of their output in the face of keen competition from United States and European producers.

For a young industry which has had to rely on new and often complicated processes and whose products have often been miscast in end use, its record has been exceptional. It has recovered rapidly from what at times have appeared to be major sales setbacks and has gone on not only to win over markets from older and better known materials, but also to create many unique and expanding outlets purely on its own initiative.

Overtaking Older Materials

Indeed, plastics are becoming so plentiful in their various applications that today they are counted among the major industrial raw materials.* In North America they now exceed in tonnage used most of the non-ferrous metals, including aluminum. At the rate plastics are growing, (a 500 per cent increase in ten years), they will soon overtake copper, the biggest of the non-ferrous metals group. Moreover, because plastics are far lighter than metals, their consumption already exceeds that of copper in physical bulk. For a new class of material, practically unknown twenty years ago, this is a remarkable record.

Today there are some twenty major types of plastics. Ten have been introduced or have reached major status since the war and new ones are coming along almost as fast. Such rapid growth in variety as well as in volume has caused trouble. The number of plastics with different properties is now so great that fabricators can barely keep up with them and consumers are even more perplexed. The main problem is how to fit these new plastics into their proper applications. In the past, confusion has led to misuse and misuse to a sharp dip in plastics sales. But

* Canadian consumption in 1951 of *primary* plastics probably exceeded 50 thousand tons.

the industry is now more conscious of the need for an educational program aimed at channelling these new materials into the uses for which they are best suited.

Diverse Applications

The many uses and possible applications of plastics are not surprising when one considers the wide range of physical qualities which they possess. They may be translucent, opaque or transparent. Some are rigid; some are flexible; others are elastic. There are plastics to satisfy various strength requirements—tensile, flexural, impact or pressure—depending only on the proper choice of materials. There are plastics which are particularly resistant to moisture, corrosion and moderate heat. Others are good insulators.

These different physical characteristics do not altogether explain the adaptability of the plastics. They may be formed into almost any desired shape. Some plastics may be moulded or cast, such as telephone hand sets and radio cabinets. Sheets can be formed into airplane cockpit enclosures or instrument panel faces. In the form of film, plastics can be used for packaging or display, upholstery or wearing apparel. Many laminated objects, including safety glass and metal aircraft panels, are made possible through the use of plastic bond resins. Table and kitchen and bathroom wall panels are further examples. They may be used to coat or impregnate other materials such as automobile paints and shower curtains. As adhesives or bonding agents, plastics are already being employed in large quantities by Canada's plywood industry. In another form they appear as fibres fine enough for the sheerest hosiery and coarse enough to replace wire window screening.

Adapted to Many Uses

Obviously, no one material can have all the qualities necessary to fill all of these roles. But the plastics are not one but many. They are a family group and a versatile one. Not only has their price been steadily declining relative to that of other industrial materials, but their ease of fabrication, lightness, durability and attractiveness make them popular in industry. They are already supplementing metal, wood, stone, glass, leather, paper and fabrics with qualities which these materials do not have when they are used alone. Sometimes plastics can even do the job by themselves.

Among the many articles already made from plastics are containers, radio cabinets, lightweight construction materials, gears and pinions, and kitchen utensils. For some time they have been used in making raincoats, shower curtains and furniture coverings and, more recently, in combination with synthetic rubber as linoleum floor coverings. Besides these familiar products, there are also a number of special duty plastics with characteristics which justify their somewhat higher cost. These include such things as frictionless bearings, corrosion-resistant tubing for use in chemical plants, and electric power cable sheathing.

New applications are constantly in prospect because a comparatively small improvement in any one property may open up an entirely new field of use. This is also true of the fabricating end of the industry. Great

advances have recently been made in the production of large articles such as complete television cabinets, thanks to the use of exceptionally large hydraulic presses and injection moulding machines.

Growth possibilities in this industry are great. Take a comparatively new plastic, polyethylene. Five years ago it was virtually unknown. Now defence and civilian demands promise a great future. First used as an insulation material in radar manufacture and later for containers for cosmetics and drugs, it is now being widely used as packaging and as a substitute for glass bottles. Telling arguments are that most plastics are lighter for shipping than glass and are unbreakable. Such demands, as they develop, will call for continuing expansion in the Canadian primary plastics industry.

How Plastics Grew

From the publicity which plastics have recently received one might think they are a new material. They are both old and new. The first synthetic plastic, celluloid, was discovered some 75 years ago. While it is still in use today, it was for over thirty years the only man-made plastic of commercial importance, meeting demands from the growing automobile and motion picture industries.

Just before World War I the second plastic, commonly known as "Bakelite", was discovered. This phenol-formaldehyde resin was put to work almost at once in the electrical industry as an insulating material. It was important for another reason. It stirred the imagination of many people by suggesting its possibilities in construction.

Since then, chemical research has been adding other materials to the family group, each widening the plastics' range of usefulness. Among these have been the vinyl resins, much of the credit for which goes to a Canadian company. Then there have been the urea and acrylic resins, and since 1939 the melamines, polystyrenes, nylon, silicones and polyethylenes, which together have led to the creation of entirely new industries devoted to research, production, design and fabrication of plastics and plastics products.

The creation of a synthetic rubber industry in Canada has served to stimulate plastics production. Surplus styrene monomer helped to attract Dow Chemical of Canada to Sarnia and was a factor in Monsanto's locating their resin works in Montreal. The demand for adhesives, stemming from the rapid rise of plywood production in British Columbia during World War II, also attracted several plastics manufacturers to the West Coast. Now, with firms engaged in building plants to make products such as formaldehyde and polyethylene, using natural gas available in the Edmonton area, production in Western Canada is being further stimulated.

Third Largest Producer

Canada is currently the world's third largest producer of plastics manufactures. In fact, in certain fields such as the decorative and industrial laminates it even out-produces the United States. This was one of the reasons why, in 1950, approximately 70 per cent of all the plastics

merchandise sold in this country was manufactured domestically and at prices which were, in the main, competitive with those being quoted by similar industries south of the border.

Primary Plastics

(value in $ million)

Year	Domestic Production	Imports	Exports	Domestic Supply
1935	1·0*	1·8	....	2·8
1940	2·0*	2·8	*1·1	3·7
1945	6·8	9·1	1·4	14·5
1950	19·1	18·2	6·9	30·4
1951	23·1	22·9	10·3	35·7
1952	19·1	7·3	5·3	21·1

* Estimated.

As usual, there have been wide swings in the production and apparent consumption of primary plastics. This is particularly true of the years since the outbreak of war in Korea. Though the long-term trend is always upward, it was accelerated in 1950 and 1951 by other raw material shortages, particularly that of non-ferrous metals like copper and aluminum. The reaction which set in in 1952 has since been reversed and the expectation now is that, by the end of this year, the industry will again be achieving new records both in terms of domestic production and in the volume of plastics exported to many other parts of the world.

A Look at the Future

For several years plastics production has been hampered by a shortage of raw materials. Here, as in the United States, the output of coal-tar products has been unable to keep abreast of the needs of the primary producers. This is one of the reasons why the petroleum and natural gas resources of Alberta have been attracting so much attention.

Rising petrochemical production bodes well for the plastics industry. Projects already under way promise to make Canada virtually self-sufficient in phenol, polyethylene and formaldehyde. Other developments have resulted in increased production of such other important raw materials as phthalic anhydride and of raw plastics such as styrene monomer, polystyrene and vinyl acetate.

In spite of the long list of new or expanded projects, there are several chemicals used in the plastics industry for which production facilities here are not at present contemplated or at least not announced. Among these are such things as melamine and maleic anhydride as resin and dye intermediates; resorcinal for dyes and adhesives; para-tertiary butylphenol as a plasticizer; fumaric acid and furan derivatives, for further organic synthesis; vinylidene chloride used in the new synthetic fibre Saran, and the alkyl compounds and acrylic monomers.

Canada has had resources in cellulose and nitric acid for many years but it is noteworthy that there are still no facilities here for the manufacture of nitro-cellulose moulding powder. Nor do we make cellulose acetate moulding powder, although Canada has for a long time been one of the world's largest exporters of cellulose and of acetic acid. Similarly, and in spite of the fact that Canada has one of the world's largest plants for the manufacture of calcium cyanamide and this continent's only plant to make dicyandiamide, which serves as the basic raw material for making

melamine resins, all our melamine supplies are imported. Obviously it is only a matter of time before these ànd other plastics, such as nylon moulding powder, are made here in sufficient quantities to meet most of our needs.

This article, the fourth in a series of six to appear in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Department of Defence Production. For the three earlier articles, see our issues of October 3, 10 and 17.—Editor.

The Netherlands Relaxes Import Controls

THE HAGUE—The Netherlands Government has announced a list of commodities which may be imported freely from Canada and from other dollar countries, effective October 15. Import licences will still be required for these commodities but they will be issued freely. The liberalization relates only to goods destined for consumption in the Netherlands.

The easing of restrictions reflects the improved economic situation in the Netherlands and, in particular, the country's increased gold and dollar holdings. Although only a modest list of commodities has been freed from controls at present, this action is an important step in the direction of complete trading freedom in the Netherlands.

It is also understood that licences will be issued more freely for a variety of non-liberalized raw materials, semi-manufactured goods and production machinery. It is believed that a number of such goods may be added to the liberalized list in the near future, economic conditions permitting.

No official announcement has yet been made about the likely effect of the new import policy on increased dollar purchases but a reasonable estimate suggests a figure in the neighbourhood of $100 million a year. There seems to be little reason why Canada should not secure a substantial share of this increased trade.

Among the commodities which have been freed from quantitative restrictions the following may be of interest to Canadian exporters: pigs' bristles, horsehair, raw tobacco, coniferous lumber of certain dimensions, certain ferro-alloys, various types of machines and precision instruments, electricity meters, zinc ore and concentrates, crude asbestos, nepheline, synthetic rubber, insecticides, pesticides, germicides, and polystyrene—October 5.

Copies of the complete list of dollar imports freed from Netherlands restrictions may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

—C. J. Small
Acting Agricultural Secretary for Canada

General Notes

AUSTRALIA

New Mines—It is reported that a leading mining geologist is drilling an area at Tennant Creek, Northern Territory, for a large copper deposit which he believes will return 30 million tons. It is said that, if a deposit is found, a Canadian mining group may finance the project. An area of more than 100 square miles at Tennant Creek has been reserved for the search for copper, cobalt, bismuth and gold.

It is also reported that a subsidiary of Consolidated Zinc Corporation is testing a silver-lead field discovered two years ago near Mainoru, near the southern Arnhem Land border and the same company is testing a silver-lead deposit near Borroloola on the Gulf of Carpentaria—Melbourne, Sept. 18.

BRAZIL

Volkswagen Factory Planned—Volkswagen of Germany intends to start construction of a factory in Brazil to manufacture its cars before the end of the year, according to a statement made by the managing director, and hopes to be manufacturing 1,000 cars a month by 1955. The company declared that its project had been approved by the Brazilian Government and that almost 80 per cent of the capital would be put up by the German group. The remainder will be supplied by the Monteiro-Aranha group. German engineers and technicians will be sent to Brazil to help build the factory. Volkswagen hopes to export to other Latin American countries—Rio de Janeiro, Sept. 17.

BRITISH GUIANA

Oil Exploration—Oil interests from the United States have applied for exploration licences in several tracts in the Demerara and Bonasika Rivers regions—Port of Spain, Sept. 11.

COLOMBIA

Coffee Bank Created—A commercial bank capitalized at 50 million pesos has been established by the National Federation of Coffee Growers. The main purpose is to finance the production, harvesting, transportation and export of coffee, as well as other agricultural products, but it will be subject to the same banking regulations as other commercial banks. The establishment of such a bank is not intended as a reflection on the other banks, but it is felt that it will

be able to serve more adequately the credit requirements of the coffee industry, on which Colombia's economy so largely depends—Bogotá, Sept. 14.

MEXICO

Industrial Profits—Profits amounting to 1,055 million pesos during 1952 were reported by 17 basic Mexican industries. Investment increased from 4,662 million pesos in 1951 to 4,837 million pesos, and the value of production from 5,748 million to 5,892 million. The industries surveyed by the Secretariat of National Economy were: vegetable oils, alcohol, rubber manufactures, footwear, sugar, clothing, woodworking, brewing, match making, cement, tobacco, iron and steel, cotton thread, woollen textiles, silk, biscuits, flour milling, corn milling, tile making, paper, pharmaceuticals, salt and glass—Mexico, D.F., Sept. 24.

SOUTH AFRICA

Facilities for Buyers—South African business men have recently taken another step to further their export trade. A month ago, the Exporters Association of South Africa opened an Export Centre and Showroom in Johannesburg, where their manufacturers may display a wide range of commodities available for export. In addition, the Centre offers to visiting business men certain service such as office accommodation, secretarial and translation help, and advice on the planning of business tours and the scheduling of interviews.

SURINAM

Banana Project—A large fruit company from the United States is considering a banana project in Surinam. The company is at present collecting information on available labour, tax facilities, river navigation and other factors—Port-of-Spain, Sept. 24.

UNITED KINGDOM

Sterling Area Gold and Dollar Reserves—At the end of September, the sterling area reserves had recovered to $2,486 million, the highest point since November 1951. The surplus earned in the month was $17 million, compared with $13 million in August. Special features during the month were the receipt of $28 million in United States defence aid, and the payment of $15 million to the European Payments Union—London, Oct. 6.

UNITED STATES

Industrial Plant Investment—Investment in industrial plants in the Chicago area totalled $11,028,000 in June, compared with $7,622,000 in June 1952. Total investment for the first six months of 1953 stood at $74,197,000, compared with $74,657,000 in the same period of 1952. These figures include construction of new industrial plants, expansion of existing buildings, and the acquisition of land or buildings for industrial purposes—Chicago, Oct. 12.

Japan Budgets Its Foreign Exchange

The October-March foreign exchange budget, just released, increases amounts for imports from dollar area; slashes amounts for imports from sterling area and open account countries.

TOKYO—Japan's foreign exchange budget for the last half of the fiscal year 1953 (October 1st to March 31st, 1954) has been set at $1,659,-000,000, a decrease of nearly $200 million from the comparable period last year. Estimated foreign exchange earnings for the next six months are not expected to exceed the budgeted payments. Over $1,335,000,000 of the total budget will be used for imports of goods, raw materials and foodstuffs. The remainder—approximately $323 million—is earmarked for payments required for invisible trade. As in previous budgets a sum is set aside as a reserve; this time it totals $170 million and is included in the $1,335,000,000 for imports.

Total Allocations by Areas

Import allocations for goods by various currency areas show that purchases from the dollar area will total $721 million (including $100 million reserve) an increase of $142 million over the import program for the first half of the fiscal year. Imports from the sterling area will drop to $282 million, compared with $299,900,000 for the first half and a sharp cut of $180 million from $463 million for the same period in 1952. Countries with which Japan maintains open accounts will ship only $332 million worth of goods compared with $347 million for the first six months of 1953-54.

Some Imports Reduced

As expected, no specific allocations have been included for the import of foreign consumer and luxury goods. The import of "Foreigners' Daily Necessities"—which eighteen months ago was running at the rate of $15 million a year—was restricted to $6 million in the last half of 1952 and again reduced to $3·4 million in the first half of the fiscal year 1953. Items such as nylon hose and garments, watches, cameras, radios, television sets, household electric appliances, chocolates, proprietary medicines, fancy goods, cosmetics, leather goods, fountain pens, sports equipment and other "non-urgent" goods will no longer be imported under a separate budget allocation. Nor will export retention funds be automatically available for their import and some items may be prohibited altogether.

Formerly exporters of a limited list of goods earned retention funds which could be used to import any item that was assessed in the Japanese Tariff at under 40 per cent. Retention funds now fall under the "Special Fund Allocation System". Under this, exporters of all types of goods to all currency areas may retain control of a blanket 10 per cent of the value of exports to be used for imports, travel abroad, maintenance of

overseas branches, foreign advertisement and payment of freight and insurance premiums. This is now, however, subject to a licensing procedure on an *ad hoc* basis.

Miscellaneous Imports

The budget contains provision for the import of miscellaneous goods totalling $56,850,000, including a few essential items such as some types of foods, special drugs and antibiotics. Additional items of the same nature may be imported under the "Special Funds Allocation System" but these funds will be used mainly for raw materials for export industries, such as cotton, wool, and pulp.

Main Budget Appropriations

Main items of the budget are designed to provide industry with essential raw materials and to pay for heavy imports of foods. Estimated imports of various important commodities are as follows:

COMMODITY	VALUE	QUANTITY
Foodstuffs	$244,903,000	
rice		470,000 tons
wheat and barley		980,000 "
wheat flour		10,600 "
Cocoa beans, tea, tobacco	9,697,000	
Livestock	349,000	
Hides and skins	5,695,000	
Pulp	16,226,000	
Chemical fibre pulp	12,976,000	68,600 tons
Paper pulp	2,010,000	15,000 tons
Cotton linter pulp	1,240,000	
Fibres	344,150,000	
Non-metallic minerals (asbestos, $1,850,000)	29,571,000	
Metals and minerals	28,092,000	
iron ore		2,010,000 tons
Coal	23,200,000	1,380,000 tons
Chemicals (carbon black, $820,000; medical preparations, $1,448,000; others, $2,108,000)	2,928,000	
Machinery	68,060,000	
Transportation equipment (38 airplanes, $6,697,000; 4,000 automobiles, $7,523,000)	14,220,000	

In addition an important allocation of $237 million provides for the import of such Canadian products as lumber, linseed, synthetic rubber, polystyrene, rags, steel, copper and aluminum scrap, pig bristles and beef tallow under the Automatic Approval Import System retained under the new budget.

—R. F. Renwick
Assistant Commercial Secretary for Canada

Trade and Tariff Regulations

FRANCE

E.F.A.C. Accounts Modified—As of November 1, 1953, the 3 per cent of freely disposable foreign exchange earned by exports to Canada and other hard-currency countries will be limited to uses approved for the previous 12 per cent accounts.

These special E.F.A.C. accounts had been used for dollar imports for which exchange was not generally made available. The complete 15 per cent of earned exchange from Canadian and other dollar sales is now usable for the purchase of raw materials, equipment goods or goods directly used by the exporting enterprise or for the payment of business expenses such as advertising and travelling.

The new regulations also specify that at the end of every quarter year, 10 per cent of the unused E.F.A.C. accounts must be repatriated to France and sold to the French Foreign Exchange Board—Paris, Oct. 8.

ITALY

Import Duties on Cattle and Meat Raised—The Italian import duty on cattle and meat has been raised from its present reduced level of 11 per cent to 15 per cent ad valorem, effective for the next eight months. This increase was made as a result of representations by Italian livestock breeders, whose stocks have been increasing while the market was declining. Prices to producers have dropped as much as 30 per cent in the last few months. A similar tariff increase, which had been in force earlier this year, expired on April 30—Rome, Oct. 7.

JAPAN

Imports of Consumer Goods Banned—Allocations of foreign exchange have been suspended, from October 7, 1953, to cover imports of coffee, canned and bottled foodstuffs, butter, margarine, baby foods, alcoholic beverages, cosmetics, leather articles, socks and stockings.

Imports are also indefinitely suspended for cocoa, chocolate, confections, milk, raisins, edible oils, chestnuts, fresh fruits, fruit juices, fountain pens, golf outfits, razor blades, hunting rifles, shoe polishes, and ingredients for Chinese dishes—Tokyo, Oct. 8.

SOUTH AFRICA

Import Licensing for 1954—It was announced on October 16th that South Africa will remove all discrimination against dollar imports effective January 1, 1954. In practice, it is expected that this will affect particularly South African imports of consumer goods from the dollar area.

Preliminary quotas for 1954 imports have been announced, though it is possible that they may be increased later.

- Importers will be permitted to import the following:

raw materials and maintenance spares—55 per cent of 1953 quota
agricultural implements and machinery—50 " " " " "
spare parts for agricultural implements—55 " " " " "

- Importers of consumer goods may import 25 per cent of their 1948 quotas.

Individual importers may use the whole of these quotas to import from the dollar area if they so desire.

Canadian exporters are reminded that a number of products are on a restricted list and are subject to special import arrangements.

Further details are available from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

THAILAND

Import Tariffs Increased—On September 12 the Government of Thailand issued a decree increasing the rates of duty on a wide range of products. Among the commodities on which the tariffs have been increased are: all kinds of preserved vegetables, canned meats, preserved fruits, biscuits, beers, wines, brandy, whisky, gin, perfumes, alcohol, acetic acid, formic acid, potassium chloride, toilet soaps, shoes, empty bottles, lighters, flints, cartridges, electric fans, refrigerators, furniture, new and secondhand motor cars, pianos, gramophones, records, toys made of rubber, celluloid and other toys.

Complete details may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Certain Imports Prohibited—The Government of Thailand announced on September 12, a complete prohibition on imports of the following: melon seeds, betel nuts, cane of all kinds, leaves used for rolling tobacco, slippers made of wood or straw, coconut oil, palm oil, peanut oil, used newspapers, fans made of paper or wood, toothpicks, chop sticks, fireworks, bamboo hats, mats made of cane, bamboo, coconut fibre or other similar materials or grass, baskets made of materials other than metal, mortars except for industrial purposes, mosquito flames except by special permission—Singapore, Oct. 7.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, began a tour of Canada in Ottawa, September 1-4. His itinerary is:

Hamilton-Brantford—October 27
Sarnia—October 28-29
Winnipeg—November 23
Vancouver—December 1-11

R. P. Bower, Commercial Counsellor for Canada in London, began a Canadian tour in Vancouver, October 5-9. His itinerary is:

Hamilton—October 26-27
London—October 28
Windsor—October 29
Sarnia—October 30
Toronto—November 2-13
Ottawa—November 16-20
Montreal—November 23-December 4

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, completes his tour of Canada in Ottawa, October 27-November 4, and St. John's, November 7.

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, began a tour of Canada in Quebec City on October 5. His itinerary is:

Toronto—October 26-31
Hamilton—November 2
St. Catharines: Welland—November 3
Brantford: London—November 4
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Montreal.

Chamber of Commerce—Brockville, Hamilton, Kingston, London, St. Catharines, Sarnia, Windsor.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01458.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 15*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1314	
		Basic buying	·1971	
		Preferential selling	·1971	(1)
		Basic selling	·1314	
		Free	·07095	
Austria	Schilling		·03791	
Australia	Pound		2·2125	
Belgium Luxembourg & Belgian Dependencies	Franc		·01977	
Bolivia	Boliviano	Official	·00519	
British West Indies	Dollar		·5762	(3)
	Pound		2·7656	(4)
	Dollar	Brit. Honduras	·6914	
Brazil	Cruzeiro	Official	·05328	tax 8%
		Free	·2070	(2)
Burma	Kyat			
Ceylon	Rupee		·2074	
Chile	Peso		·00896	
Colombia	Peso	Basic	·3942	
Costa Rica	Colon	Official	·1755	(5)
		Free	·1484	*
Cuba	Peso		·9856	tax 2%
Czechoslovakia	Koruna		·1369	
Denmark	Krone		·1427	
Dominican Republic	Peso		·9856	
Ecuador	Sucre	Official	·06571	(6)
		Free	·05671	
Egypt	Pound		2·8303	
Fiji	Pound		2·4916	
Finland	Markka		·00428	
France	Franc		·00282	
French Africa	Franc		·00563	
French Pacific	Franc		·01549	
Germany	D Mark		·2347	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9856	
Haiti	Gourde		·1971	
Honduras	Lempira		·4928	
Hong Kong	Dollar	Free	·1638	*Oct. 1
Iceland	Krona	Official	·06052	
		Special buying	·04660	
		Special selling	·03754	
India	Rupee		·2074	
Indonesia	Rupiah	Basic	·08646	(7)
		Dollar certificate	·00187	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 15	Notes (See below)
Iran	Rial	Official	·03056	*
		Certificate	·00983	*
Iraq	Dinar		2·7597	
Ireland	Pound		2·7656	
Israel	Pound	Basic	2·7597	
		Special	1·3799	(8)
		Investment	·9856	
Italy	Lira		·00158	
Japan	Yen		·00274	
Lebanon	Pound	Free	·2994	
Mexico	Peso		·1139	
Netherlands	Guilder		·2594	
Netherlands Antilles	Guilder		·5226	
New Zealand	Pound		2·7656	
Nicaragua	Cordoba	Effective buying	·1493	(9)
		Official selling	·1398	
		With Surcharge I	·1224	
		With Surcharge II	·09807	
Norway	Krone		·1380	
Pakistan	Rupee		·2979	
Panama	Balboa		·9856	
Paraguay	Guarani	Basic	·06571	(1)
		With Surcharge I	·04693	(10)
		With Surcharge II	·03285	
Peru	Sol	Certificate	·05497	
Philippines	Peso		·4928	tax 17% (2)
Portugal	Escudo		·03440	
El Salvador	Colon		·3942	
Singapore & Malaya	Straits dollar		·3227	
South Africa (Union of)	Pound		2·7656	
Spain & Dependencies	Peseta	Basic buying	·04501	
		Basic selling	·08784	
		Basic commercial selling	·06000	(1)
		Free	·02502	
Sweden	Krona		·1905	
Switzerland	Franc		·2297	
Syria	Pound	Free	·2758	*Sept. 10
Thailand	Baht	Official	·07885	(1)
		Free	·05426	*Sept. 4
Turkey	Lira		·3520	
United Kingdom	Pound		2·7656	
United States	Dollar		·9856	
Uruguay	Peso	Official	·6489	
		Basic buying	·5536	
		Special buying	·4194	(1)
		Basic selling	·5187	
		Special selling	·4022	
Venezuela	Bolivar		·2942	(11)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Costa Rica: Official rate applies to all Costa Rican exports.
6. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
7. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
8. Israel: An additional effective rate of 1.80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
9. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
10. Paraguay: Basic rate applies to most Paraguayan exports.
11. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

You too
can go to market
in Indonesia

It's a big market—80,000,000 people. It's big in area too. The ten provinces of the United States of Indonesia cover an area of the South Pacific 3,000 miles from east to west and 1,000 from north to south.

Principal exports are rubber, oil, tin, copra, tea and tobacco. Indonesia now buys mainly from the United States, Japan and the Netherlands.

To help Canadians sell in Indonesia, the Trade Commissioner Service of the Department of Trade and Commerce has opened a new office at Djakarta, the capital city.

Write to W. D. Wallace, Commercial Secretary, Canadian Embassy, Tanah Abang Timur 2, Djakarta. He may be able to help you market your product in Indonesia.

foreign **trade**

OCTOBER 31, 1953

South Africa Faces Readjustments (page 2)

foreign trade

VOL. 14 OTTAWA, OCTOBER 31, 1953 NO. 357

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

South Africa Faces Readjustments

Postwar expansion in the Union is giving way to a policy of consolidation and readjustment. Overall economic activity is good, with wool, fruit and base mineral exports high.

CAPE TOWN—Economic development in South Africa has in recent years depended on the obtaining of international loans to supplement foreign exchange earnings because these earnings are insufficient to provide capital for both private and public projects.

The remarkable postwar growth of secondary industry has meant increasing pressure on overseas loan funds and their growing scarcity has emphasized the Government's responsibility for maintaining a well-balanced economy. In the words of the Governor of the Reserve Bank of South Africa " . . . Slowing down of (private) economic activity . . . (is necessary) . . . in consequence of the need for consolidation and readjustment after a period of unprecedented expansion and development and of severe strain in the economy as a whole".

This trend, increasingly in evidence since 1951, was given formal recognition by the Finance Minister when he belatedly presented the Budget for the fiscal year commencing April 1, 1953. He used the phrase "consolidation and readjustment as a conscious public policy". Private enterprise has reached a plateau of activity and this will mean adjustments throughout industry, commerce and finance.

Some Shifts Indicated

A major expansion of public enterprise—notably of rail communications and electricity supply—is essential to the building of a balanced economy but this expansion, involving an expenditure of several hundred million pounds, can be financed only by diverting a larger proportion of the national income to the Government and by pre-empting overseas loan funds. The new policy will change the channels of spending but the volume of expenditure will be at least as large.

Trade and Industry

Production of goods and distribution through wholesalers and retailers are reflecting greater price competition as a buyer's market develops. Output and turnover are being maintained but profit margins are narrowing, credit facilities to wholesalers are being extended, and instalment buying is increasing.

The clothing industry is active and is turning more and more to domestic textiles, though materials from soft currency areas are in good supply. The footwear industry is running at a good pace; raw materials present no problem, factories are fully employed, and skilled labour becoming scarce. Agricultural equipment—including trucks, cars and

farm maintenance supplies—is moving well, with a notable demand for tractors. The building material industries are active. Cement, steel and hardware are in good supply but the forward position for softwood lumber is temporarily obscure now that 1953 import quotas are exhausted and those for 1954 not yet available. The building trades are active, with approved building permits for the first seven months of the year, to the value of £35 million, about 4 per cent over the similar period last year.

The exchange position deteriorated during the first half of 1953. Despite a decrease in the unfavourable balance of trade from £62 million in the first half of 1952 to £47 million in the first half of 1953, reserves declined £26 million, compared with £15 million in the first half of the previous year. The shrinkage has continued and reserves on August 14 totalled £91·7 million, or some £8·3 million less than the traditional essential minimum. Improvement is expected during the fourth quarter, both through the customary late-year decline in imports and from returns on the new season's wool clip. The main reason for the decline in reserves was the reduced capital inflow into South Africa.

Price Levels

Indices show that wholesale and retail prices are no longer advancing. After rising from 1,473 to 1,522 between May and November 1952, the wholesale index (1948=1,000) declined to 1,480 in May 1953. Imported goods have played a major part in this trend, with the index for wholesale commodity imports declining by 63 points in the year to May 1953. Domestic prices too are moving downwards, but more slowly. The domestic index, after standing at 1,451 in December last, declined by 30 points in the first half of '53. The retail price index, which was 1,242 in May 1952 and 1,295 in November of the same year, went down to 1,290 in May 1953.

"The Railways"—the State transportation monopoly which includes freight and passenger transport by rail and bus, terminal facilities, harbour operations and the internal airways—continue to be fully occupied, but

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Statistics Tell the Story . . .

So far in 1953, South Africa has:

- *Produced a bumper maize crop, 12 million bags more than in 1952.*
- *Received the second highest return in its history for the wool clip of the 1952-53 season.*
- *Watched the value of its diamond exports in the first five months of 1953 fall £4 million below the same period last year.*
- *Increased its production of gold in the first six months of '53, but received a fractionally lower return.*
- *Made progress with its uranium recovery project, with three plants in operation by June 1953.*

the growing deficit on operations which appeared in the second half of 1952 following several profitable years has continued. During the year revenues increased by 2·7 per cent but expenditures rose by 13 per cent. Prices of rolling stock and other equipment, permanent way materials and coal continued to climb and improvements in employment conditions, salary increases and a rise in the cost-of-living allowance made it impossible to achieve the traditional surplus.

Total volume of freight traffic carried by the railways during the fiscal year ending March 31, 1953, amounted to 69 million tons, an increase of 5·9 per cent over 1952 which was itself a record.

On August 1, all rates were advanced by 15 per cent. The combination of this and the continuing movement of heavy tonnages raised gross weekly earnings to above £2·0 million. Each of the three weeks to August 22 brought new earnings records. Receipts for the week ended August 22 totalled £2,242,721. Freight mile tonnage and livestock movements also established new records for volume and the weekly freight revenue for the first time exceeded £1·5 million.

Agriculture Reports

Agriculture and the pastoral industry had an excellent year and are stimulated by prospects of a favourable one to come. Land values are high, capital available and farm people spending freely. No section of the community, in fact, is in a better position.

Maize: Maize growers harvested 32·5 million bags and received some £55 million for the crop. The increase of 12 million bags over the 1952 harvest was at once a bonus for the farmer and a windfall to the Treasury, which otherwise would have been obliged to finance the purchase of overseas supplies for government account.

Wheat: Lack of rain during the planting season reduced the wheat harvest for 1952-53 by 1·2 million bags to 5·9 million bags. However, increases in the government purchase price offset the lower yield and the farm cheque was not far short of that for the previous year.

Sugar: The 1952-53 crop is officially estimated at 705 thousand tons of raw sugar, an increase of 22 per cent over the 1951-52 season and a record for the Natal cane producers.

Wattle Bark: The wattle industry continues to expand. Cane areas are being planted with wattle to provide additional production. Shipments for the first four months of the year were 12 per cent above the similar period last year, but lower prices meant little increase in return to the grower.

Fruit: Production of citrus fruit was above average, with exports to the middle of July 35 per cent above last year.

It was a good year for producers of peaches, plums, apricots and nectarines and particularly growers of export grapes. The latter shipped 3·5 million crates compared with 2·2 million in the previous year and received an additional 4/– per case. Exports of deciduous fruits, including grapes, amounted to 5·8 million crates compared with 3·9 million in the previous year.

The wine grape crop was excellent and the vint 40 per cent above the previous year. Quality of new wine was good and premium prices to growers were the rule rather than the exception.

Wool: Only once in the history of the country has the weight and average quality of the clip or the return exceeded that of the wool year which ended on August 31st. Almost £60·6 million (or £11·5 million more than during the previous year) was distributed to growers in a year of wool sales free from violent price fluctuations and with an almost unbroken advance in prices, which increased by 20 per cent.

Mining and Fishing

Gold: Half-year production of new gold amounted to 5,848,306 fine ounces, an increase of 24 thousand fine ounces. The gross return to the industry—£72·6 million—was, however, fractionally below that for the similar period of last year because of a revaluation of gold to £12.6.3d. (previously £12.8.3d.) per fine ounce and to the smaller premium on commercial gold.

Uranium: The uranium recovery project which promises to improve the earning power of the gold industry is developing rapidly, with three of the four recovery plants to be operating this year already working on June 30. Sixteen additional mines are participating in the recovery project and a further £4 million recovery unit will be in operation by mid-1954.

Diamonds: World sales of diamonds declined by £6·8 million to £31·5 million during the first half of the year, primarily because the sales of industrial stones fell by £5·7 million. The value of diamonds exported from the Union in the first five months of the year—£9·1 million—was £4 million below the same period of last year.

Base Minerals: Sales of all minerals (other than gold and diamonds) during the first four months of the year totalled £16·7 million, or an increase of £1·5 million. This resulted mainly from increases in the value of sales of coal, manganese ore, copper, chrome and iron ores, somewhat offset by lower values for asbestos and osmiridium.

During these four months, export shipments of chrome ore, copper and manganese rose substantially both in volume and in value. Asbestos exports, however, were off by about one-third in both quantity and value.

The annual income of the Union's fishing industry has reached about £13 million, with products in good demand both at home and abroad. The 25 modern factories in the Union which produce canned pilchard and lobster, frozen lobster tails, pilchard meal and fish oil are healthy and prosperous and should not be appreciably affected by the conservation measures introduced in 1953.

In fact, despite some weak spots, the overall picture in the Union is satisfactory. The Minister for Economic Affairs summed it up in one sentence a short while ago: "Economic conditions are healthy, factories are working full time, there is no unemployment, retail turnover is satisfactory, good agricultural crops are anticipated, wool prices are firm."

—Kenneth F. Noble
Canadian Government Trade Commissioner

India Expands Its Steel Industry

Aided by native raw materials and a good labour supply, India's steel producers are turning out over a million tons of finished steel and expansion is continuing.

NEW DELHI—India's iron and steel industry is undergoing an expansion designed to meet the needs of a growing industrial economy. The country is fortunate in its plentiful supply of ore, averaging between 60 and 69 per cent iron content, located near coal deposits. Most of the major raw materials the industry needs are thus available in quantity and, because labour is plentiful and inexpensive, India is today one of the cheapest producers of steel in the world.

The maximum production of pig iron and steel was reached during the war, when plant was used to capacity to meet defence requirements. Two million tons of pig iron were produced in 1941 and 1·13 million tons of finished steel in 1943. Production fell somewhat in the immediate postwar years, the effect of extensive wartime use of plant and equipment and the lack of replacement equipment. However, 1952 showed a production of slightly over one million tons of finished steel.

Three Main Producers

The total investment of the main producers is about $300 million, but this figure is by no means based on present day replacement costs. The industry employs about 60,000 people. There are three main producers of iron and steel: the Tata Iron and Steel Co., the Indian Iron and Steel Co., (amalgamated earlier this year with the Steel Corporation of Bengal), and the Mysore Iron and Steel Works. The latter is a comparatively small unit owned and operated by the Mysore State Government. The two former companies are much more substantial and are located in Bihar and West Bengal, adjacent to coal and iron deposits. The total capacity of these three producers is estimated to be 1·9 million tons of pig iron and one million tons of finished steel a year.

Consumption and Imports

Annual consumption of steel in India has stayed at about 1·6 million tons for the past ten years. However, with the progress of large hydroelectric power projects, the establishment and enlarging of heavy steel-consuming industries producing locomotives, ships, machine tools, automobiles, trucks, and textile machinery (which are included in India's Five Year Plan) by 1957 Indian steel requirements may reach approximately 2·8 million tons. Despite its considerable iron and steel industry, the country has to import substantial quantities of special type steel. In 1950 these steel imports totalled 284 thousand tons; since then, imports have been somewhat lower. Principal suppliers are the United States, the United Kingdom and Belgium.

This distant view of one of India's major industrial plants contrasts the the old and the new on the sub-continent. In the foreground, Indian women wash clothes in the river in the ancient way; in the background, the Jamshedphur, East Bengal, works of the Tata Iron and Steel Company.

Several serious problems face the industry, the most vital of which is probably the lack of capital for expansion. This has been solved to some extent by the loan of $31·5 million from the World Bank guaranteed by the Government of India, by direct loans from the Government of India, and by government adjustment of steel prices in favour of the producers. The expansion program provides for the increase of the plant and equipment of the Indian Iron and Steel Company to turn out an additional 200 thousand tons of steel a year. The Tata Iron and Steel Co. Ltd. will extend its facilities to produce an additional 180 thousand tons of finished steel each year. Tata are also contemplating the erection of a steel tube works producing GI and WI pipe up to and including three-inch nominal bore and with a capacity of 80,000 tons a year. A new strip mill is also included in their plans. The Mysore Iron and Steel Works plan to increase their productive capacity by 70,000 tons of rolled steel a year.

Overshadowing these projects, which are included in India's Five Year Plan, is the government announcement of August 15th that it had reached an agreement with the German companies Krupp and Demag for the construction of a new steel plant in India with an initial capacity of 500 thousand tons a year to be doubled later to one million tons. The German firms will provide technical and financial participation to the extent of $20 million, out of the estimated $150 million cost of the project. It is expected that much of the capital will be available eventually in

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India, but the official announcement indicates that the World Bank will be approached for aid. This new plant is expected to go into production in four years.

Another difficult problem is the rapidly diminishing reserves of metallurgical coal. India's coal reserves are large but reserves of coking coal are limited and a large proportion is being wastefully used by the railways and by industry who could make do with other types of coal if they were readily available. A policy of conserving metallurgical coal reserves appears essential.

Labour presents another problem. Although it is cheap and plentiful, the labour employed is excessive in terms of present production. Greater efficiency in the use of labour should bring a decrease in the production costs of iron and steel. Part of the industry has been affected recently by labour unrest, taking the form of slow-down strikes.

India has a substantial steel re-rolling industry, comprising approximately 100 plants of varying capacities. Total capacity of the re-rollers is about 750 thousand tons a year. However, production of these plants is not more than 350 thousand tons a year because it is so difficult to obtain sufficient supplies of billets and scrap. Five of the re-rolling mills make special products such as tin plate, wire and wire products, fish plates and spikes, bars and rods, bolts and nuts, rivets, spring steel and hoops and strips.

—R. K. Thomson

Acting Commercial Secretary for Canada

Northern Ireland's Trade

BELFAST—The first decline since 1945 in the value of Northern Ireland's external trade was recorded in 1952 when the total stood at £456·9 million, compared with £475·4 million in 1951. For the sixth year in succession, imports exceeded exports; the deficit was £26·7 million, compared with £41 million in 1951. Exports totalled £215·6 million (£217·2 million in 1951); imports fell by £16·9 million to £241·3 million.

The recession in the textile industry was the largest single factor in the decline in trade. Imports of textile materials fell substantially in value, both in the raw state (flax was down by £2·9 million and wool by £1·7 million), and in partially manufactured form (cotton goods were down by £5·2 million, woollen goods by £1·8 million). Exports of finished textile goods also declined sharply.

The value of food and beverage exports—£41,182 million—was the highest since 1947. Agricultural produce—eggs, potatoes, bacon and pork, and milk and milk products—all showed increases. Machinery exports increased from £12·6 million to £16·7 million.

Imports of food, drink and tobacco, at £65·6 million, increased by £2·8 million. Machinery imports totalled £17·1 million, compared with £14·8 million in 1951, and motor cars were valued at £6·4 million as against £573 thousand last year.

Doing Business by Mail . . .

Here are some hints from a New York advertising firm on how to sell by mail order—what products are suited to this kind of merchandising and what pitfalls to avoid.

NEW YORK—A few weeks ago I spent half a day with a well-known advertising firm in New York, discussing ways and means of assisting potential Canadian exporters to the United States. This firm plans and arranges advertising copy for many large manufacturers, using the newspapers, magazines, radio and television. I found a Canadian official in the company who showed me through every department and introduced me to the directors.

The Case of the Cardigans

I was particularly interested in hearing about the results of well-planned mail order advertisements. One case in particular should interest small manufacturers in Canada. It concerns one of the smaller and comparatively unknown knit-goods manufacturers in Scotland.

This firm had tried unsuccessfully to introduce its pure cashmere cardigans for men and women through the medium of large department stores in New York.

This was not a success because it was soon found that these American stores were also handling imported cardigans which bore the label of a nationally advertised, and therefore better known, maker. The owner of this small firm in Scotland came to New York and soon was talking with the advertising firm and seeking the best marketing advice.

The American advertising firm persuaded the cardigan manufacturer to insert a one-page colour advertisement in the magazine section of a well-known New York newspaper, at a total cost of $3,500. Before the end of the week of publication, the Scottish manufacturer began to receive by mail hundreds of orders, with cheques and money orders attached. In fact, within two weeks he was so inundated with orders that the company did not have the capacity to fill them. The office staff spent the rest of the month writing letters to nearly 10,000 potential buyers, explaining why their orders could not be filled and returning their money to them.

Points to Watch

This method of developing sales in the United States has a number of obvious advantages. It is the best and quickest way to find immediate sale for a novelty or any product that is for some reason unique, either because it is new or because the price is especially attractive.

This sales medium can be adapted to merchandising pure wool blankets, ready-to-wear goods such as sweaters, sports clothing, sporting goods, chinaware, electric utensils and especially household gadgets—and also certain handicrafts.

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The manufacturer who sells by mail order can usually make the price lower because the importer, wholesaler and retailer are eliminated in this selling direct to the consumer—although this is not always a good idea.

The advertising copy must be well designed and attractive. It must give a complete breakdown of the delivered price of article to the customer, including the extra charges for packing, parcel post or express, and import duty—which, incidentally, should be paid by the manufacturer and included in his price. This can be done most effectively by arranging to have all shipments to the United States cleared at the border by the manufacturer or his customs broker. In this way, the parcel or case reaches the buyer in the United States just like any domestic shipment. It saves him the bother and inconvenience of attending to customs formalities. In fact, this is the most important step in the whole procedure. If the purchaser in the United States finds that he will have to clear the goods through the U.S. Customs himself, he often decides not to buy.

Some of our most active exporters credit their success in large measure to the service they give customers in the United States by relieving them of all customs formalities and arranging to deliver the goods to the buyer's home or warehouse.

Canadian Experience

This mail order idea has already been used successfully by several Canadian manufacturers. The president of one well-known clothing firm in Quebec called at my office and showed me a two-page "spread" that had just appeared in the September issue of a monthly magazine published in New York, with a circulation of $1\frac{1}{2}$ million copies.

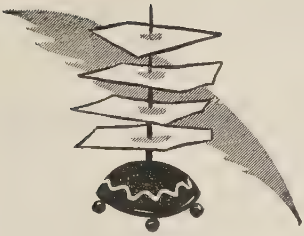
Already he had received hundreds of orders from all parts of the United States, which he estimated would total $400 thousand in value. This is smart merchandising and can be emulated by other manufacturers in Canada if they have the necessary vision, confidence in their product, (the quality must be as good as the advertisement promises) and the money to spend from $3,500 to $12,000 for a good advertisement in the most appropriate paper or magazine.

Any manufacturers who wish to have further information about this kind of merchandising or the advertising that accompanies it should write to me in New York.

—A. E. Bryan
Deputy Consul General of Canada
and Trade Commissioner

Tour of Territory

P. V. McLane, Canadian Government Trade Commissioner in Port of Spain, Trinidad, will visit British and Dutch Guiana in the middle of November. Businessmen interested in these areas should get in touch with Mr. McLane at Port of Spain as soon as possible.



General Notes

DENMARK

Butter Exports to U.S.—Negotiations between the Danish export organizations and the British Government have resulted in an agreement on sales of Danish butter to the United Kingdom during the contract year October 1, 1953, to September 30, 1954. For this period the price has been raised by 14 øre per kilogram, or nearly 2·2 per cent, and the quantitative provisions of the previous agreement have been prolonged so that the United Kingdom will continue to take 75 per cent of Denmark's total butter exports—Oslo, Oct. 9.

SOUTH AFRICA

Oil from Coal—The initial capacity of SASOL (government-owned oil-from-coal project) has been increased from 30 million to 70 million gallons a year. Production is to include 55 million gallons of petrol, 4·5 million gallons of diesel oil, 1·8 million gallons of fuel oil and a range of by-products including low temperature tar, 10,000 tons; paraffin wax, 14,000 tons, and ammonia, 9,000 tons. The larger capacity has increased the capital cost by £2·5 million over the intended expenditure of £18 million. Nearly 2·2 million tons of coal will be required each year—Cape Town, Sept. 25.

SOUTHERN RHODESIA

Trade Pact with France—Under a new agreement, France will take £240 thousand worth of Southern Rhodesian tobacco. In return Rhodesia will buy from France—perfume, £5,000; tires, £8,000; cigarette papers, £12,000 and wines and spirits, £35,000—Johannesburg, Sept. 24.

VENEZUELA

Japanese Trade Mission—A Japanese trade mission arrived in Caracas in September to promote goodwill and trade between the two countries. An exhibition of products held in the Caracas Chamber of Commerce included textiles, toys, electrical appliances, kitchenware, and plywood.

The mission was headed by a government representative and the other three members were important executives of Japanese trading companies. There is a possibility that more lenient credit terms than letter of credit will be offered Venezuelan importers and, with regular shipping service now in operation, Japan hopes to increase its exports to this dollar market—Caracas, Oct. 6.

Chemicals V

The Paint, Pigments and Varnish Industry

The advent of new chemicals and the perfecting of new processes have helped to transform surface coatings since the 1930's. Today both industry and householders profit from advances in this part of the chemical industry.

OTTAWA—Few people think of the manufacture of paint, pigments and varnishes as a segment of Canada's chemical industry, perhaps because of the very familiarity of these products. But chemical ingredients and chemical processes are its stock in trade and chemistry is the principal science underlying its development. A knowledge of chemistry, furthermore, is necessary to understand the principal factors influencing its rapid growth in recent years.

To the rest of the chemical industry, Canada's paint, pigments and varnish manufacturers are important for another reason. They provide a substantial outlet for many compounds which are also useful as pigments, solvents and drying agents. Theirs are fairly stable and sizable demands which have tended to grow year by year. Last year some 115 paint and pigment making and mixing plants provided employment for more than six thousand Canadians and used over $60 million worth of raw materials, most of which were purchased from other chemicals manufacturing companies.

New Applications

Largely as a result of chemical research, the paint industry has been transformed since the 1930's. Much of the credit for this must go to the industry's suppliers. They have turned out such new materials as the alkyd and urea resins in large quantities, as well as the melamines. They have discovered and made available such new ingredients as titanium oxide. But once these new materials were in hand, the paint industry was not slow to take advantage of them. It has gone on to make and experiment with new and sometimes revolutionary applications with an even wider appeal to the general public.

Today you can give your living room two coats of paint in an afternoon and entertain guests that evening. You can apply to your furniture or flooring a varnish film that is practically impervious to blows from a hammer. You can paint your summer cottage with insect repellent coating. You can, in fact, do many things with present day paints and varnishes which were not even thought of a decade or two ago.

Many of these surface coatings have moved out of the laboratory stage only within the last few years—and there are more to come. Evidence of this can be found in the large and well-equipped paint research laboratories which are now being built in Canada to supply the needs of home owners and of other industries in this country.

The day has gone by when white lead, the odd pigment and one or two solvents were mixed up in corners of warehouses and the product used for almost everything. Synthetic resins and, more recently, emulsion-type paints have begun to take their place.

Latex Emulsions Appear

As an example, look at the impact of latex emulsions on the paint and varnish industry. As recently as 1950 they were merely referred to as "promising developments". Today they are heralded as the most outstanding development in the surface coating field in the last decade. They are even said to rank with the cellulose lacquers which were brought in soon after World War I. These synthetic resins have been gaining in importance since the 1930's. Now there is hardly a paint manufacturer who does not have "rubber" or synthetic latex base paint on his sales schedules.

In this field, as with the other and earlier surface coatings, chemists are now working hard to perfect industrial finishes from these same latex bases, with solvents other than water probably supplying part of the answer. But there is more to it than that. Today the trend is increasingly towards greater specialization in surface coatings. "A special paint for each and every job" appears to be the motto of the industry. Canada's largest manufacturer, for example, now turns out over four thousand different paints—coatings for almost every type of material (wood, stone, brick, cloth, plaster, rubber, plastics, etc.) and in practically every shade imaginable. Much of the energy being devoted to paint research is aimed at making specially designed products, the majority of which will find their principal application in industry.

Then there are the new paints with more appeal to the cost-conscious householder. Varieties have been evolved which can be applied more readily by hand, using new and yet highly practical devices like rollers or spray guns. "Odorless" solvents have been introduced and emphasis placed on fast-drying products with the same sort of market in mind. Their success can be measured by the great numbers of Canadians who have become amateur painters and interior decorators in their spare time.

Technical Advances

In Canada, the paint and varnish industry has taken advantage of many of the technological innovations that have appeared in the United States. But here production has usually been limited to the manufacture of such widely used ingredients as iron, lead and zinc oxide, and to the mixing and packaging processes. Many solvents are aromatic or paraffinic naphthas, by-products of Canada's oil refineries. The rest—except for linseed oil which has always been produced from Canadian flax, and a little soya oil—have, like most of the pigments, always been imported.

Industry has, at the same time, been quick to take advantage of developments elsewhere. During the 1920's it shared in the revolution which saw natural resins displaced by synthetic products—chemicals which helped to provide greater durability, and non-cracking, non-shrinking, quick-drying, water resistance and hardness properties. It was then also that the manufacture of lacquers came more to the fore, providing quick drying surface coverings, paints and enamels which

were essential in the mass production of consumer durables such as automobiles, washing machines, etc. It was during this era too that the manufacture of nitro-cellulose became important to this sector of the chemical industry.

The next major steps were those relating to thinners. Since the 1930's a knowledge of petro-chemistry has become vital, with petroleum distillates largely replacing turpentine as a thinner. These media, furthermore, are being tailored more and more to meet the various needs of industry, with special emphasis on different evaporating rates and solvency. Here events have favoured domestic sources of supply, with Canadian oil refineries helping to furnish many of the raw materials in lieu of turpentine, the greatest proportion of which has always had to be imported.*

As for pigments, white lead is still widely used and zinc oxide remains popular for outside finishes, though research has prompted the success of lithophone, zinc sulphide and, even more recently, the titanium paints. Most of these newer paint and varnish ingredients are being obtained from foreign sources, however, a situation which shows little likelihood of changing, even though several of these minerals are now being mined and exported as concentrates from this country.

Greater progress is being made with the resins and solvents. Several sizable projects have recently been launched in Canada involving the manufacture of such chemicals as phenol, phthalic anhydride, formaldehyde, pentaerythritol, isopropyl alcohol, and acetone. Most of these chemicals are now produced on a scale sufficient to meet all domestic requirements.

Production and Imports

The following table, which indicates the relative importance, value-wise, of production and imports of the paint and varnish industry, also reflects its steady growth over the past 25 years:

Average Annual Value

(in millions of [1950] dollars)

Period	Domestic Production	Imports	Exports	Domestic Supply
1926-30	22·9	1·1	·5	23·5
1931 35	21·8	·7	·6	21·9
1936-40	35·4	1·1	1·5	35·0
1941-45	57·3	1·6	1·5	57·4
1946-50	77·9	2·1	1·7	78·3
1951	86·6	2·3	·9	88·0
1952	93·6	2·2	·6	95·2

The fact that paint imports appear so small relative to domestic production is surprising. However, it should be pointed out that these figures do not include foreign purchases of pigments, fillers and other paint and varnish ingredients. The latter totalled over $15 million in 1952 and consisted of a wide variety of products, including titanium oxide ($6 million), carbon black† ($4 million), lithophone ($1 million), and other oxides ($4 million).

* The rest has come from Canada's pulp and paper mills.

† Production of carbon black has recently commenced in Canada.

It appears likely that, in the future, overall demands for these surface coating materials will continue to rise. This will happen partly because of their increasing ease of application and partly because odorless paints and varnishes can be made up in all ranges of colours. These developments have changed interior as well as exterior decoration from a messy, distasteful job to a more pleasing and satisfying experience for the home owner. As with industry, the householder is becoming more conscious of the preservative and resistant qualities of surface coatings and other features becoming better known as these new products are more widely advertised.

Some Unfavourable Factors

All may not be rosy for the paint and varnish manufacturers, however. The declining use of wood for external finishing on buildings is having a depressing effect on sales volume. Other building materials, such as cement, brick, glass, and impregnated papers, are thus setting an upper limit to Canada's output of paints. Some of the newer products such as plastics, which are being more and more widely used in making consumer goods and construction materials such as wall and floor tiling, and sink and table tops, and the growing acceptance of metals for trim and other decorative purposes, are having something the same effect.

New investment and spending on repair and maintenance, however, will remain the main criterion of sales. As Canadians continue to acquire larger incomes and even, under less favourable conditions, endeavour to keep their possessions in a reasonable state of repair, the growth of our surface coating and allied industries, though it may be more modest than that of certain other chemicals, appears assured.

This article, the fifth in a series of six to appear in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Department of Defence Production. For the four earlier articles, see our issues of October 3, 10, 17 and 24.—Editor.

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

—Standard Oil of N.J.

Weighing alfalfa using a primitive scale on a farm in the Najd area.

Report on Saudi Arabia

CAIRO—The last few months have seen a gradual slackening of trade in Saudi Arabia, in contrast to the boom of the past two years. Business conditions in Jedda are definitely dull and even on the east coast of Saudi Arabia, where development projects in towns such as Damman and Al Khobaris are being carried out, trade has fallen off. One reason is the large stocks on hand; another is the competition from certain foreign countries, particularly Germany.

The main factor, however, in the restriction of trade has been the financial difficulties of the Saudi Arabian Government. Revenue from the oil industry, which in the past two years has brought the country prosperity, has decreased because the Arabian American Oil Company effected in 1952 certain payments outstanding from previous years. This year, with payments settled and with a reduction in oil production, the Government's revenue is expected to be appreciably less.

The results of this are already apparent. Payment for many government projects and contracts is in arrears and certain of the more ambitious plans are being shelved. The somewhat tight financial conditions have not, however, prevented expenditure on many luxury goods such as new automobiles and on private projects.

The Saudi Arabian monetary agency which was established in April 1952 on the advice of the Point IV Organization has helped to stabilize the constantly fluctuating currency. The proposed functions of the Agency were to steady the currency, receive government oil royalties, and, in general, advise the Ministry of Finance. Results have shown its value

and the continuous currency fluctuations, especially during the pilgrimage season, have so far been avoided. Branches are now being set up at Mecca and Medina.

The new Saudi gold sovereign is steadily replacing the George Head and is holding firm at about 40 rials. Dollars continue to be plentiful and the rate of 3.15 has been firm for some time. For the past nine months, however, there has been a particular shortage of sterling. There is, in effect, no exchange control in Saudi Arabia nor is the issue of fiduciary notes controlled.

Industry in Saudi Arabia continues to be small. A leather plant is operating in Jedda and a printing plant is nearing completion. A weaving company, under royal patronage, has been formed in Riyadh to encourage local weaving.

Imports into Saudi Arabia from Canada

Copper wire, insulated	548,590
Flour of wheat	373 673
Wheat	160,588
Copper wire, bare	135.672
Autos, freight, new (ton or less)	122,623
Whisky	94.242
Tires for trucks, buses	88,739
Soda and sodium compounds, n.o.p.	83,715
Autos, passenger, new, over $1,000	79.465
Radio receiving sets	78,248
Milk, evaporated	72,785
Whole milk powder	47,909
Tires for passenger autos	34,021
Gas engines and parts	30,476
Mining machinery and parts	30,065
Calcium compounds	15,766
Fountain pens, including sets	13,977
Aircraft parts	11,468
Bookkeeping and calculating machines and parts	10,629
Lamps and lanterns of metal	10,357

The import of building materials continues on a large scale with the exception of cement, which was imported in large quantities and is now overstocked. Automobiles, hardware, glass, textiles, leather goods and machinery of all kinds are still the main imports. Pharmaceutical products are not in great demand. Because of the large amount of building in past months, the need for prefabricated houses is diminishing.

Foodstuffs, particularly canned goods and sugar, are imported in large quantities. In view of the proposed plan for the electrification of several Saudi Arabian towns, much electrical installation work is going on in cities like Mecca and Taif.

Oil continues to be Saudi Arabia's main export; the others are negligible. No local statistics on imports and exports are issued.

Exports from Saudi Arabia into Canada

Total value	$7.559,190
Crude petroleum for refining	7,547,376
Coffee, green	10,439

Canada's trade with Saudi Arabia has risen considerably in the past few years. Canadian exports to Saudi Arabia during 1952 were valued at $2,149,308 Canadian and consisted largely of wheat, wheat flour, tires and tubes, copper wire, milk powder and autos (freight).

Canadian imports from Saudi Arabia were valued at $7,559,190, with crude petroleum far in the lead.

Trade and market conditions in Saudi Arabia are somewhat unusual and the stiff foreign competition makes extended credit terms almost inevitable in business dealings. Canadian firms dealing with Saudi Arabian merchants should therefore insist on secured dealings whenever possible, either by the opening of an irrevocable letter of credit or by a deposit paid in advance.

—W. H. HOPPER
Office of the Canadian Government Trade Commissioner

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Winnipeg, November 23 and Vancouver, December 1-11.

R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Toronto, November 2-13, Ottawa, November 16-20 and Montreal, November 23-December 4.

E. H. Maguire, Canadian Government Trade Commissioner in Madrid, Spain, completes his tour of Canada in Ottawa, October 27-November 4, and St. John's, November 7.

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, began a tour of Canada in Quebec City on October 5. His itinerary is:

St. Catharines: Welland—November 3
Brantford: London—November 4
Brockville: Kingston—November 6
Ottawa: Pembroke—November 9-10

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Brantford, Montreal.

Chamber of Commerce—Brockville, Kingston, St. Catharines.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Commerce—Ottawa, Vancouver (355 Burrard Street) and St. John's (Stott Bldg).

Commodity Notes

ARGENTINA

Tractors—Argentina imported some 46,000 tractors during the period 1934-52. The heaviest imports in recent years were in 1948 and 1952 with some 10,000 and 7,000 tractors, respectively. A tractor plant was recently established in Cordoba, but its production is not expected to reduce the number of imports materially. Tractor purchases are expected to be increased in order to fulfil that part of the second Five-Year Plan dealing with the rehabilitation of agriculture—Buenos Aires, Sept. 28.

AUSTRALIA

Chemicals—The Colonial Sugar Refinery Chemical Pty. Ltd., has opened a new £4·5 million factory in the Sydney suburb of Rhodes. The factory is jointly controlled by the Colonial Sugar Refinery and the Distillers Co. Ltd., one of Britain's largest manufacturers of industrial chemicals. It will produce industrial chemicals, including cellulose acetate, acetic acid, acetaldehyde, plasticisers, solvents, stearates, and fine chemicals, including ascorbic acid—Sydney, Sept. 24.

BRAZIL

Pinewood—Pinewood exports during the first five months of 1953 totalled 153 thousand tons, a drop of almost 61 thousand tons from the same period of 1952. It is believed that the recent commercial accord signed with Argentina will improve these exports during the last half of this year—São Paulo, Sept. 29.

CUBA

Sugar Substitutes—Cuba has decided to launch her first large-scale campaign directed at increasing sugar consumption in the United States and counteracting the intensive publicity for sugar substitutes in that country. Campaign funds of $500 thousand to $600 thousand are reportedly being set aside for this purpose, in co-operation with the United States Sugar Association—Havana, Sept. 28.

INDIA

Linseed—The all-India estimate of linseed for 1952-53 puts the area at 2,453,000 acres, as against 2,417,000 acres of the adjusted estimate for 1951-52. This shows an increase of 36,000 acres, or 1·5 per cent. The increase has occurred mainly in Rajasthan and Vindhya Pradesh,

but has been offset to some extent by decreases in Bihar, Bhopal and Hyderabad. The estimate relates to the period up to mid-February 1953. Till then the condition of the crop was reported as satisfactory. The estimate does not include the area sown to the crop in Madras and United Provinces which will be reported in the final estimate. Past experience shows that the final estimate of acreage is about 33 per cent higher than the second estimate—New Delhi, Sept. 18.

NETHERLANDS

Nylon—The Elkomo Corporation of Amsterdam and the Scandinavian-American Nylon Hosiery Company of Denmark have established a new factory in the Netherlands to produce and trade in nylon and various textile products. The new company will have a capital of one million guilders of which some 600,000 guilders have been issued. Both the Danish and the Netherlands founders will contribute machinery, valued at approximately 300,000 guilders each—The Hague, Oct. 10.

SOUTH AFRICA

Sulphuric Acid—South Africa is making progress toward self-sufficiency in supplies of sulphuric acid for industrial purposes. This is largely the result of the acid plants being erected on certain gold mines, as part of the uranium recovery process which uses large amounts of acid. The sulphuric acid is prepared from pyrites which occurs in appreciable quantities in certain of the gold-bearing reefs of the Witwatersrand and Orange Free State. The increase in supplies of sulphuric acid will benefit the Union's agricultural production and food supplies. Almost without exception, the soils of South Africa require superphosphate, produced by treating raw phosphatic rock with sulphuric acid—Johannesburg, Sept. 26.

SPAIN

Fertilizers—According to an official report, the factory now being erected at Aviles on the northern coast of Spain is expected to produce 200 thousand metric tons of ammonium phosphate a year—Madrid, Oct. 5.

UNITED STATES

Automobiles—Although the U.S. has produced a record number of automobiles this year, the percentage of production shipped abroad has declined. Total factory sales for the first seven months of 1953 were 4,582,944 vehicles, compared with 3,057,593 units for the same period of 1952. In the first seven months, however, only 127,962 passenger cars, 80,145 trucks and 145 buses (a total of 208,252 vehicles) were exported. This is only 4·5 per cent of total factory sales, compared with 213,922 vehicles, or 7 per cent, in the same seven months last year. This smaller percentage of a higher output being sold abroad is the only unfavourable aspect of the current automotive sales picture—Detroit, Oct. 12.

Brazil Revamps Controls

What is Brazil's new system of controlling exports, imports and exchange? Here is an explanation, with emphasis on the technique of importing by auction, not application.

RIO DE JANEIRO—With practically no advance warning the Finance Minister instituted on October 10 a dramatic new plan to control Brazil's imports, exports and exchange. Most businessmen were surprised both by the suddenness of the move and the boldness of the measures introduced and the reaction has varied widely. The majority, however, are waiting to see how the plan works out.

The Main Features

All the foreign exchange proceeds from exports must now be sold to the Bank of Brazil at the official rate of exchange. To stimulate exports, the Bank pays a bonus to the exporter of five cruzeiros per dollar in the case of coffee exports and 10 cruzeiros per dollar in the case of all other exports. For the present, the Bank proposes to issue currency certificates against 70 per cent of these proceeds and auction the certificates to importers.

The certificates will be auctioned through the stock exchanges in the principal cities. More than half of the available ones will be offered in São Paulo and Rio de Janeiro. The remainder will be sold at the other centres, proportioned roughly according to import licences issued over the past two years. Imports have been divided into five categories, in descending order of essentiality. Category one thus consists of most essential goods and category five of superfluous luxury items. The bulk of certificates auctioned will be in category one and the other essential categories, with only a token number available for the luxury category. Those covering luxuries will probably be very expensive and those for essentials moderately priced. The following gives some idea of the various categories; information on a specific product can be obtained from the International Trade Relations Branch, Department of Trade and Commerce.

- *Category 1*—Breeding livestock; fertilizers; farm machinery; seed potatoes and other seeds; whole powdered milk for infants; insecticides; fungicides; selected raw materials; drugs; crude oil; equipment for hydro-electric plants; aircraft and aerial navigation equipment; medical, dental and veterinary equipment; foreign publications.

- *Category 2*—Codfish; industrial raw materials, mainly metals, resins and chemicals; asbestos; wood pulp; gasoline; steam turbines; railway spare parts.

- *Category 3*—Motors; metallic alloys and products; machinery for various industries; truck chassis; chemicals; yarns; communications and electronics equipment; electrical controls and measuring equipment; engines; generators: road-building and railway equipment; pumps; tools; sundry industrial equipment.

- *Category 4*—Dried powdered milk; fruits; spices; chemicals; telephone equipment; flashlights; cameras; various industrial and commercial equipment.

- *Category 5*—All goods not included in the above categories.

- *Special*—Wheat and newsprint may still be imported at the official rate of exchange without certificates.

The certificate represents a promise by the Bank of Brazil to sell to the holder within five days a specified amount of exchange at the official rate. Only registered firms or business associations can purchase these certificates at the auction. The amount put up for auction each day will depend on the Bank of Brazil's availabilities of the various foreign currencies. The maximum amount of certificates to be purchased by one importer a day is $10,000 or the equivalent in other currencies, except in special cases when a larger sum is approved. Firms that buy certificates in excess of their reasonable import requirements or to an amount greater than ten times their capital will be denied import licences. Special arrangements for import licences for goods in the first three categories can be made when the importer can prove that the import will be financed abroad for the average term of at least one year and that, at the end of the credit period, payment will be made through the purchase of certificates if this system is still in force. Transfer of foreign capital to Brazil in the form of imported goods and equipment, not involving expenditure of foreign exchange by Brazil, can be arranged.

Certificate Conditions

The buyer of a certificate at auction must pay for it within 24 hours and within the following five days he must purchase, at the official rate of exchange, the appropriate foreign currency to cover it. This means that the price to be paid for an import now will be the official rate of exchange plus whatever the importer had to pay for the certificate. A minimum price of ten cruzeiros per dollar has been set for certificates; they are not transferable and the minimum denomination is $1,000 or equivalent in other currencies. An importer who does not need all the currency to which the certificate entitles him must resell the difference to the Bank of Brazil.

Points of Interest

At present the system is temporary; it will be in effect for three months and will be renewable for periods of three months, depending on how it works.

Import licences are still required but they will be issued practically automatically to the holder of the certificate, provided he fulfills the conditions set up to prevent abuses of the system. The Bureau of Imports

and Exports of the Bank of Brazil (CEXIM) which previously had full authority to grant or deny import licences, will concern itself exclusively with checking the prices of goods to be imported and the status of the importer before issuing the import licence.

Import licences granted under the previous system are to be provided with foreign exchange as the Bank of Brazil has it available. Applications still pending under the previous system will be disregarded.

The authorities have pointed out that the listings of goods within categories are not firm and may change frequently as experience dictates. The U.S. dollar has been adopted as a convenient descriptive standard and quotations of certificates for other currencies will be calculated on the dollar basis. The certificates are being issued in denominations of $10,000, $5,000 and $1,000 and in five different colours according to the category of the goods.

The 30 per cent of the export proceeds retained by the Bank of Brazil will be used to repay debts, service foreign loans and investments, and meet other government expenses. The percentage may be altered.

Drastic Action Required

In announcing the plan, the Finance Minister inferred that Brazil's economic prospects continued to be unsatisfactory and that a future backlog of commercial debts was a possibility, with perhaps a breakdown in import and export trade. The announcement was made without warning to avoid financial speculation. Among the advantages of the plan he mentioned the elimination of personal influence and arbitrary decisions in the granting of import licences and the elimination of the danger of building up a new backlog of debts abroad. He believed that the results might be inflationary at first but deflationary in the long run.

The cost of most imports will increase. The authorities contend, however, that this does not need to be carried through to resale prices because present domestic prices reflect abuses of the old import licensing system, plus the tendency of importers to calculate their resale prices on the open market rates of exchange.

Returns to Bank of Brazil

Present official estimates indicate that some Cr.$18 billion per year will flow into the Bank of Brazil from the auctions. Of this, about Cr.$8 billion will be returned to exporters in the form of the bonus of five cruzeiros per dollar for coffee and ten cruzeiros per dollar for other products. The balance of Cr.$10 billion will be channelled by the Bank to the interior to provide long-term, low-interest loans to farmers for the purchase of farm machinery and materials. This should restrict the credit available for speculative and non-essential purposes. The composition of the various categories reflects the Finance Minister's objective of slowing down industrialization to bring it into better balance with agriculture.

The reaction of businessmen and the press has run to both extremes, but the more responsible express their admiration for the daring of the plan, but reserve judgment on how it will work. The administrative complexities of running the scheme arouse some doubts. Many problems have still to be solved and popular goodwill and support are essential if the plan is to succeed.

On the verge of the first auction, there is little to report on observed results. There is a tendency for importers to stop entirely or at least curtail sales until they can assess the situation and adjust their prices. Some importers say that they intend to sit out the first few auctions and associations have been advising their members to move slowly, particularly on bidding at the auctions, until there is some indication of how the scheme is working out. The most noticeable effect was the increase in the free exchange market rate for the dollar from about 38 to over 50 cruzeiros. This is due, of course, to the fact that it is now compulsory for an exporter to sell all the proceeds from an export to the Bank of Brazil. As the free market is no longer being supported by the Bank of Brazil and has lost its principal source of revenue its importance has diminished. Fluctuations in the rate are likely to be more frequent and erratic, with a tendency to gravitate to the rate for imports in category five.

The bonuses provided for exporters should stimulate coffee and especially cotton exports because it increases the cruzeiro return to the exporter compared with the previous system—provided that the exporters feel these benefits are set and so do not hold back supplies for a possible increase. The bonus does not appear likely to affect the position of most other exports.

Imports from Canada

With the scheme not yet in operation, its effect on imports from Canada can only be surmised. It seems unlikely to mean much if any overall increase in Canada's exports to Brazil but it may well provide a better opportunity for some individual products which had not been considered licensable from dollar countries under previous import control systems. The situation may call for close attention to export prices to keep them competitive with supplies from other sources. In the past some difficulties have arisen over letter of credit terms but these may now be less important, while the advantages of offers on long-term credit seem to be increasing. In any event the system is on trial for the next three months, and Canadian exporters should maintain close and constant contact with their agents here if they wish to take immediate advantage of any opportunities that occur.

—C. R. Gallow
Commercial Secretary for Canada

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad..................October 3

Head Office Directory..........................October 10

Area Breakdown, Foreign Trade Service......September 19

Foreign Commercial Representatives in Canada....August 8

Trade and Tariff Regulations

AUSTRALIA

Meat Exports Returned to Trade—The Minister for Commerce and Agriculture has announced that all exports of meat from Australia to destinations other than the United Kingdom and her armed forces overseas, may be conducted by meat exporters, effective October 1st, 1953.

The Minister explained that the policy of trader-to-trader sales to dollar areas was deliberately departed from during the last few years because, in 1950, there was an extraordinarily wide price differential between North American meat values and Australian livestock values. The limited tonnage negotiated under the long-term agreement for shipment to the dollar areas in those years, and the consequent necessity to regulate and limit export permits to those areas by the issue of specific export permits, required special arrangements. The arrangement was that the Australian Meat Board should make the shipments, take the resultant profits and use or distribute them for the general benefit of meat producers.

The Minister pointed out that the wide price differential no longer existed and, in accordance with the Government's policy of the least possible interference with private trade, the decision had now been made to allow these trader-to-trader operations to be resumed.

The Minister said that the total quantity of meat available for shipment to dollar account and other open market destinations for 1953-54 had been agreed between the Australian and the United Kingdom Governments at 8,500 tons. The amount available for 1952-53 was only 5,000 tons. Arrangements will be such as to prevent over-supplying profitable markets, such as Canada, and thus spoiling prices and raising producers' opposition—Melbourne, Oct. 1.

INDONESIA

Advance Exchange Deposit for Certain Imports Reduced—The Central Import Office has announced that, effective October 1, 1953, the obligatory advance payment of 75 per cent of the rupiah equivalent of the foreign exchange amount of the exchange permit for imports has been reduced to 50 per cent for certain categories of raw materials and capital goods. The products affected include textiles, metal wares, technical goods and machinery, pharmaceuticals, fertilizers,

cloves and clove stalks, explosives, newsprint paper, multi-wall bags and aluminum foil. A more detailed list of the commodities affected is expected to be available shortly—Djakarta, Oct. 1.

A detailed list is available, and information on individual goods may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rubber Export Duties—The general Indonesian rubber export duty of 0·138 rupiah per kilogram in force during the third quarter of 1953 has been abolished for the October-December period of this year. However, the extra rubber export duty of 10 per cent ad valorem remains in force—Djakarta, Oct. 1.

ITALY

Imports of Seed Potatoes—A decree of the Italian Government, dated September 29, 1953, authorizes imports of potatoes for consumption into Italy under licence, until further notice.

The same decree has established this year's quota for the duty-free importation of seed potatoes at 35,000 metric tons, for arrival not later than April 15, 1954. Seed potatoes under this quota remain subject to the issuance of import licences—Rome, Oct. 15.

NETHERLANDS

Dollar Retention Scheme Abolished—Effective October 19, the Netherlands authorities have abolished their scheme under which exporters have been permitted to retain, since September 1949, 10 per cent of the dollars earned from shipments to Canada and the United States. They could use these funds for the unrestricted import of dollar goods.

In future, Canadian goods previously imported into the Netherlands by means of export bonus dollars can be freely imported if they are on the liberalized list (see *Foreign Trade* of October 24) or they may receive favourable treatment under the freer licensing anticipated for other goods not yet liberalized—The Hague, Oct. 20.

PERU

Change in Documentation Regulations—By a recent modification in th[e] Peruvian Custom Code, the time allowed for the correction of erro[rs] or omissions in consular invoices has been extended from eight t[o] 20 days.

Canadian exporters are reminded that certified consular invoice[s] properly completed, must accompany all shipments made to Per[u]. Substantial fines and penalties are levied for improper declaratio[n] and incorrect documentation.

UNITED KINGDOM

Imports of Magnesium Revert to Private Trade—Following the announc[e]ment by the Ministry of Materials that private trading in virg[in] magnesium will be resumed on January 1, 1954, the Board of Tra[de] in a notice of October 8, advised importers that they are now prepar[ed]

to consider applications for licences to import on and after that date, from any source, virgin magnesium in unwrought form, i.e., blocks, billets, ingots, slabs, notch bars and sticks.

Existing arrangements for the licensing of imports of secondary magnesium and magnesium alloys for which separate import licences are required will not be changed. Separate import licences will continue to be required for scrap magnesium originating in dollar countries.

VENEZUELA

Canadian Trade Agreement with Venezuela Renewed—On October 11, 1953, the trade agreement between Canada and Venezuela was again renewed for one year from that date. This agreement was signed originally on October 11, 1950, and has been renewed each year since. Under it, Canada and Venezuela exchange full most-favoured-nation treatment with regard to customs duties and other charges.

Venezuela is an important dollar market for Canadian goods. Canadian exports to Venezuela were approximately $36 million in 1952 and have amounted to $22 million in the first eight months of 1953. Canadian imports from Venezuela were $136 million in 1952 and are approximately $71 million for six months in 1953. The main Canadian exports are wheat flour, powdered milk, cars and trucks, manufactured copper and aluminum, machinery and newsprint. Imports from Venezuela consist almost entirely of crude petroleum.

WESTERN GERMANY

Labelling of Unpeeled Canned Asparagus—A recent German ruling has made it compulsory to have unpeeled canned asparagus labelled as such. This indication may be applied after importation into Western Germany—Bonn, Oct. 16.

Recipients of Amendment No. 1 to the leaflet "Western Germany—Shipping Documents and Customs Regulations" compiled by the International Trade Relations Branch, Department of Trade and Commerce, may wish to note this provision on page 2 of their amendment leaflet.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·01748.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 22*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1310	
		Basic buying	·1966	
		Preferential selling	·1966	(1)
		Basic selling	·1310	
		Free	·07074	
Austria	Schilling		·03780	
Australia	Pound		2·2090	
Belgium Luxembourg & Belgian Dependencies	Franc		·01973	
Bolivia	Boliviano	Official	·00517	
British West Indies	Dollar		·5753	(3)
	Pound		2·7612	(4)
	Dollar	Brit. Honduras	·6903	
Brazil	Cruzeiro	Official selling	·05222	(5)
		Effective buying	·03465	
		Coffee buying	·04207	
Burma	Kyat		·2064	
Ceylon	Rupee		·2071	
Chile	Peso		·00893	(1)
Colombia	Peso	Basic	·3931	
Costa Rica	Colon	Official	·1750	(6)
		Free	·1480	*
Cuba	Peso		·9828	tax 2%
Czechoslovakia	Koruna		·1365	
Denmark	Krone		·1423	
Dominican Republic	Peso		·9828	
Ecuador	Sucre	Official	·06552	(7)
		Free	·05654	
Egypt	Pound		2·8222	
Fiji	Pound		2·4876	
Finland	Markka		·00427	
France	Franc		·00281	
French Africa	Franc		·00562	
French Pacific	Franc		·01545	
Germany	D Mark		·2340	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9828	
Haiti	Gourde		·1966	
Honduras	Lempira		·4914	
Hong Kong	Dollar	Free	·1657	*Oct. 16
Iceland	Krona	Official	·06035	
		Special buying	·04646	
		Special selling	·03744	
India	Rupee		·2071	
Indonesia	Rupiah	Basic	·08621	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 22	Notes (See below)
Iran	Rial	Official	·03047	*
		Certificate	·00980	*
Iraq	Dinar		2·7519	
Ireland	Pound		2·7612	
Israel	Pound	Basic	2·7519	
		Investment	·9828	(9)
Italy	Lira		·00158	
Japan	Yen		·00273	
Lebanon	Pound	Free	·2999	
Mexico	Peso		·1136	
Netherlands	Guilder		·2586	
Netherlands Antilles	Guilder		·5211	
New Zealand	Pound		2·7612	
Nicaragua	Cordoba	Effective buying	·1489	(10)
		Official selling	·1394	
		With Surcharge I	·1220	
		With Surcharge II	·09779	
Norway	Krone		·1376	
Pakistan	Rupee		·2971	
Panama	Balboa		·9828	
Paraguay	Guarani	Basic	·06552	(1)
		With Surcharge I	·04680	(11)
		With Surcharge II	·03276	
Peru	Sol	Certificate	·05587	
Philippines	Peso		·4914	tax 17% (2)
Portugal	Escudo		·03430	
El Salvador	Colon		·3931	
Singapore & Malaya	Straits dollar		·3222	
South Africa (Union of)	Pound		2·7612	
Spain & Dependencies	Peseta	Basic buying	·04488	
		Basic selling	·08759	
		Basic commercial selling	·05983	(1)
		Free	·02523	
Sweden	Krona		·1900	
Switzerland	Franc		·2292	
Syria	Pound	Free	·2758	*Sept. 10
Thailand	Baht	Official	·07862	(1)
		Free	·05426	*Sept. 4
Turkey	Lira		·3510	
United Kingdom	Pound		2·7612	
United States	Dollar		·9828	
Uruguay	Peso	Official	·6470	
		Basic buying	·5521	
		Special buying	·4182	(1)
		Basic selling	·5172	
		Special selling	·4011	
Venezuela	Bolivar		·2934	(12)
Yugoslavia	Dinar		·00328	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

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COMING!

in the November 14 issue

of *Foreign Trade*

COLOMBIA

a good dollar market

. . . for the Canadian expo

a factual report,

very much to the point.

foreign **trade**

NOVEMBER 7, 1953

The Chemical Industry and the Future

foreign trade

'OL. 14 OTTAWA, NOVEMBER 7, 1953 NO. 358

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

German Tools Make a Come-back

By stressing high quality, competitive prices and fast delivery, the German hand tool industry has regained lost export markets; is now selling to over 100 countries.

BONN—The German tool industry, which lost its export markets during and immediately after the war to British, Swedish and American competitors, has now regained a large part of its former trade—thanks to high quality, competitive prices and delivery terms, and a determined overseas sales drive. Tool exports to Canada during the last two years have risen remarkably, although the total value of the trade is still relatively small.

The industry has achieved this postwar growth in the face of several serious obstacles in addition to the problem of recapturing former markets. First, the postwar steel shortage seriously retarded its advance but today tool steels are in good supply and the *price* of the special steels, not their availability, has become important. Second, the industry's potential was lowered by the dismantling which took place in the immediate postwar period but losses were made good fairly quickly.

Quality through Specialization

German hand tools—which range from anvils and adzes to saws and wrenches and include precision instruments—are for the most part still produced by paternalistic, family-owned enterprises or partnerships, employing 25 persons or less. The traditional manufacturing centres are Remscheid and Wuerttemberg-Baden. Of the approximately 1,500 firms in the industry, most confine their production to only one or two lines of tools and the trend towards increasing specialization is continuing. Improvement in quality is continually sought and manufacturers subject their products to numerous checks during production. For more intensive examination, articles are submitted to a central testing laboratory main-

West German Hand Tool Exports—by Countries

January-December 1952		January-May 1953	
Country	(000 DM)	Country	(000 DM)
Brazil	43,154	Netherlands	8,561
Netherlands	19,830	Italy	5,184
Italy	13,843	Belgium	5.079
Indonesia	13,649	Switzerland	4.565
Belgium	13,108	U.S.A.	3,958
Switzerland	12.663	Sweden	3,026
Sweden	11,271	Denmark	2,727
Turkey	10,189	Colombia	2,488
U.S.A.	7,922	Canada	1,546
Colombia	7,100	Indonesia	1,477
Denmark	6,076	Thailand	1,329
Canada	3,325	Brazil	1,194
		Turkey	1,130

Source: Aussenhandelsstatistik, Teil 2, December 1952.

tained by the industry. This organization also controls the quality of the steel used by the tool manufacturers and advises on the design and construction of tools sent in for examination. The technical high schools submit reports to the central association on the practical application of the various types. And tools made by foreign and by German manufacturers are regularly compared to ensure that the German product equals or surpasses that of competitors.

Business Upswing Helped Sales

Exports did not reach a significant volume until after the currency reform of 1948. At that time it became apparent that Germany's traditional competitors—Britain, Sweden and the United States—had achieved strong positions in markets previously supplied by Germany, particularly in South America, where United States products now dominate. The re-entry of the German industry into world markets has been the result not only of excellent products offered at favourable prices but also of the the business boom which began in mid-1950 and which has everywhere been accompanied by expanding markets for tools. Up to 1951, however, the German tool industry had regained only half of its prewar share of world exports. In 1951 it was not possible to take full advantage of the booming market because of the continuing shortages of special steels. This shortage meant extending delivery terms to the point where German firms lost their former advantage over the other major exporters. However, exports have increased steadily and last year German tools were shipped to over 100 countries.

Sales to Canada Growing

The industry's dependence on export markets is demonstrated by the fact that 60 per cent of total sales in 1952 were made to overseas buyers. Progress in the export trade is generally considered satisfactory. In 1950 exports were valued at $29 million, but by 1952 they reached a level of approximately $56 million. Brazil was Germany's best market for tools in 1952, with imports valued at $10 million. The Netherlands, Italy and Indonesia were next in order of importance as markets for the German products. However, statistics for the first five months of 1953 show that

Canadian Imports of Hand Tools from Western Germany

(in thousands of dollars)

	1949	1950	1951	1952	First four months 1952	First four months 1953
Anvils and vises	....	·9	3·8	16·0	4·9	1·8
Engineers and surveyors' tools	34·7	59·8	116·4	234·4	46·9	44·1
Wrenches	4·7	58·5	72·7	169·6	28·8	80·2
Augers, bits and drills	16·2	63·2	98·0	111·4	25·2	21·9
Adzes, cleavers, hatchets, screwplanes, spokeshaves, etc.	3·7	47·5	87·7	96·3	26·6	24·6
Hacksaw blades and saws	3·8	15·4	64·3	47·5	10·4	19·9
Files and rasps	·7	6·0	7·7	14·6	3·9	2·6
Tools, n.o.p.	27·1	55·4	106·9	189·9	43·9	64·4
Total	90·9	306·7	557·3	879·7	190·6	259·5

Source: Dominion Bureau of Statistics.

exports to Brazil and Indonesia have declined sharply and are now exceeded by shipments to Canada. Canadians have been steadily increasing their purchases of German hand tools; the value of imports rose from $91,000 in 1949 to $880 thousand in 1952. Imports during the first four months of 1953 were valued at $259,500 compared with $190,600 in the equivalent period of 1952, an increase of 36 per cent. Canada now ranks third among Germany's non-European customers.

Prices Have Fallen

Price plays a most important part in the merchandising of tools and increasing competition has led to lower prices in most tool lines. The tendency towards decreasing export prices has become a source of concern to the tool industry and an elaborate export price guide, designed to standardize prices throughout the German industry, is now considered to be largely ineffective. Lower prices, however, may help the industry to retain or even expand its export markets.

—I. V. MacDonald
Assistant Commercial Secretary for Canada

Britain Plans Derationing

LONDON—The Minister of Food announced in Parliament recently that butter, margarine, cheese and cooking fats are to be freed from rationing next year. It is intended to deration these products in the early summer. Decontrol of condensed and dried milk is expected in early spring. The Minister added that he hoped the whole process of decontrol would be complete by the fall of 1954, after which private imports will be resumed. The only matters which have not yet been worked out are bacon and meat derationing.

Branded butter, margarine and cooking fats will thus return to the British market after fifteen years. At the present time the ration of butter is three ounces, margarine five ounces, and cooking fats two ounces a week. The Ministry of Food purchases fluid milk from producers at a guaranteed pool price and allocates supplies to butter and cheesemakers at a much reduced price. It purchases oils and fats and allocates to margarine manufacturers, whose product no longer carries a subsidy. Butter and cheddar cheese, however, are still subsidized and retail at the controlled price of 3/4d. and 2/2d. a pound respectively (46 cents and 30 cents).

—D. A. Bruce Marshall
Commercial Secretary for Canada (Agriculture)

The Chemical Industry and the Future

How long will the spectacular growth of the chemical industry in Canada continue? Here is a careful analysis of the factors that will determine the industry's future—and a cautious forecast.

OTTAWA—Looking back over the past twenty-five years, statisticians tell us that the chemical industry in North America has been growing more rapidly than any other major industry. Since 1925 it has been expanding at an average rate of about 10 per cent a year. This is all the more remarkable because the physical rate of growth of manufacturing as a whole has been about 3 per cent.

All segments of the chemical industry have not shared equally in this advance. Some have assumed much greater importance than others. But one thing has been true of all—they have continued to grow at rates at least as great and frequently much greater than those other segments of manufacturing which do not involve chemical change.

The following table gives some indication of relative rates of growth of various sectors of the chemical industry:

Commodity Group	Percentage per year	Commodity Group	Percentage per year
Detergent soaps	33	Fertilizers	9
Medicinal chemicals	20	Insecticides	8
Synthetic plastics	15	Solvents	6
Anti-knock agents	13	Pigments	4
Synthetic fibres	12	Dyes	3

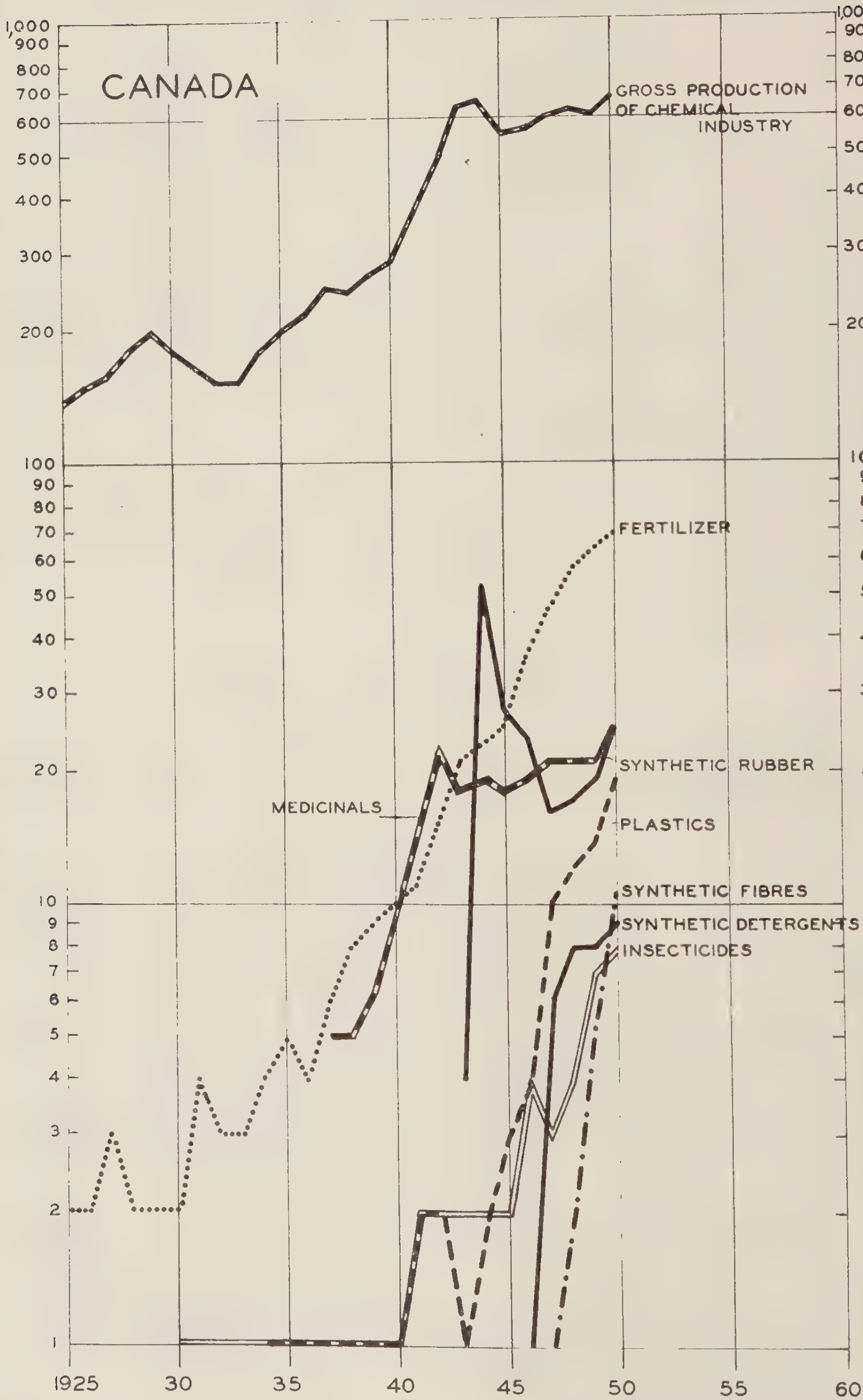
Chemical Industry Average=10 per cent

The industry's rise to prominence over the past half century has been due in large part to two quite different market phenomena, both of which will undoubtedly continue to play an important role. One is "replacement markets"; typical ones are those for synthetic fibres, plastics, rubber, and surface active agents such as detergents. These products are expanding at the expense of older commodities, usually natural in origin. The other consists of "new markets"—for example, medicinal chemicals, insecticides, new-type fertilizers and the anti-knock agents used in gasoline. These products owe their popularity to the development and expansion of new outlets where their growth is rarely at the expense of other commodities.

"Replacement" Markets

Both categories of demand have influenced the growth of the chemical industry but the replacement market has so far been the more important. In the future it may be different. The "new market" category of chemical products may go on expanding indefinitely, but the "replacement market" will eventually have to slow down as these products eliminate the commodities which they are replacing.

VALUE OF PRODUCTION OF CHEMICALS
and Major End-Chemical Groups
(in millions of 1950 dollars)



For example, the synthetic chemicals used in fibre production will never exceed the ceiling imposed by the total demand for clothing, home furnishings, industrial fabrics and the like. If the present rate of growth of synthetics were to continue, they would fill the entire projected demand for fibres by about 1970. For obvious reasons, they will hardly be that successful. This is one sector of the chemical industry whose rate of growth is bound to taper off during the next twenty-odd years. The same applies to surface active agents, which in large measure replace natural soaps. Their sales have been expanding so rapidly that, if they were to continue, synthetic detergents would completely replace soap within a relatively few years—ten at the outside. Here too it is obvious that the growth of this chemical group will be moderated in the not too distant future.

Influencing Future Sales

Synthetic rubber is making headway against rubber from natural sources. Here the principal gains have been made in periods when overseas sources of the natural products have either been cut off or have been unable to expand rapidly in the face of mounting demands. Though this may be a recurring phenomenon, only strategic considerations will entirely eliminate competition from plantations in the Far East.

Plastics are also largely replacement products, but they should be considered as in a category by themselves. Because they tend to replace such large-volume items as steel, non-ferrous metals, glass, ceramics, leather and paper, there appears to be no foreseeable ceiling on their consumption. Even wood appears to be losing out to them in some applications.

Neither do upper limits in the markets for medicinal chemicals, fertilizers or insecticides appear to be in the offing. Future sales of those products may be limited only by the rate of growth of the Canadian economy. At that, a rising proportion of the national income will, in all probability, be diverted to such purchases.

New Markets

In looking to the future one must also attempt some prophecies about new chemical products and entirely new markets, some of which are already appearing on the horizon.

One consists of linking inorganics to organic compounds, a process by which the older branch of chemistry is being pulled into the immense stream of organic growth. The new hybrids are not likely to be as numerous as the organics themselves, but they have many possibilities. Among the oldest of these products are the chlorinated compounds, now used largely as solvents, refrigerants and degreasing agents. Among the newest and most promising are the organo-silicones or silicone plastics, which are finding applications as heat-resistant fluids, greases, resins and rubber-like materials. Then there are the fluor-carbons making up some of the most stable plastics known today. Each of these product families is still in the early, high-cost stage of development but they promise to generate markets for themselves by making possible new inventions, some of which previously failed for lack of suitable materials.

Then there are many indications that, eventually, numerous organic chemicals will be made from coal by hydrogenation. One example of this has been the large-scale production in Europe and the United States of

gasoline from coal by the "Fischer-Tropsch" process. This differs from coal-tar chemistry in that it sets out to build, either from the simplest molecules or from a whole new conformation of complex substances in coal, a wide and entirely new set of chemicals. It is being developed from both ends: by the oil companies as an alternative source of gasoline, and by basic chemical manufacturers as a source of new materials for industry.

Fields to Explore

Another probability is the building of still more complex molecules beyond the scale now referred to as "polymerization". This means expanding out into the fields of protein chemistry and biochemistry, with the practical application of photo-synthesis, perhaps the biggest event, just around the corner. Another growing province is enzyme chemistry, bringing in its wake a whole new range of natural catalysts. All this may apply a revolutionary force to food processing and the preparation of pharmaceutical and medicinal chemicals.

On the borderland and still difficult to appraise are likely developments in nuclear chemistry. Government and industry both are doing considerable research in this direction. However, it is still too early to expect tangible results beyond the use of radioactive isotopes as "tracers" in medical and industrial applications. But chemical science built up on the knowledge which has been gained about the transformation of molecules is bound to be affected by developments in atomic research. This is perhaps the most promising direction of all.

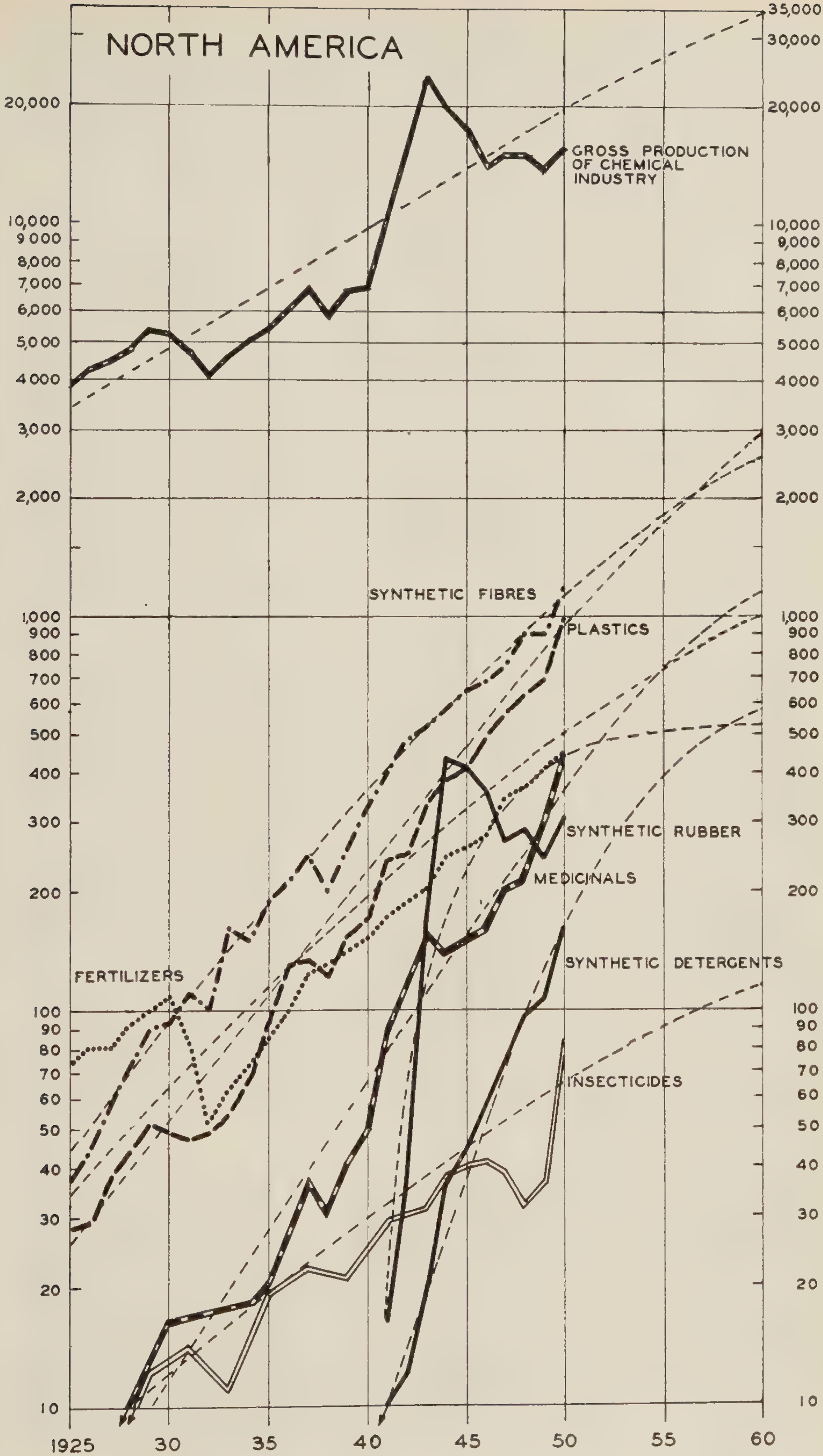
Scanning the Future

Past records are not an infallible guide to the future but a projection of historical trends may best indicate what the future holds. At first glance, extrapolations like this look too optimistic and result in almost impossible forecasts. But that is what most of us would have said about plastics, synthetic fibres, and even medicinal chemicals ten or twenty years ago. Forecasters in the chemical industry have always been short of the mark in their estimates of future demands. This is because they have not adequately taken into account the development of new uses, automatically allowed for in any projection of long-term past trends.

An overall projection of Canadian chemical requirements indicates that they will increase by at least 50 per cent between now and 1960. They may double by 1975. A breakdown of these future demands is even more interesting. Based on North American consumption trends, it indicates that, during the next decade, plastics may well surpass synthetic fibres in terms of sales value. Medicinals will probably extend their recent lead over fertilizers. The accompanying graphical material also suggests that the North American demand for synthetic detergent also has considerable room for expansion. The same is true of insecticides and miscellaneous chemicals like solvents, paint pigments, and anti-knock agents. Synthetic rubber, in fact, is the only one which may show a levelling-off in sales over the next few years.

Viewed in the light of Canadian production opportunities, these are important conclusions. If the pattern of production more closely approximates Canadian consumption, categories like plastics and synthetic fibres are bound to show a rapid rate of increase. There is also considerable

In chart on opposite page, production values are in millions of 1950 dollars.



ECONOMICS AND STATISTICS BRANCH, DEPT OF DEFENCE PRODUCTION.

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room for expansion in synthetic detergents. The future of synthetic rubber, fertilizers and, to a lesser extent, insecticides, will be affected more by export considerations. While they will no doubt enjoy an increasing volume of domestic sales, their expansion will be affected to a much greater extent by market developments both on and off this continent.

Canada's Potential

Keeping abreast of these new and mounting demands will tax the industry's resources of capital and "know-how" but it will not place anything like the same burden on raw materials. For one thing, it can draw on Canada's abundant reserves of coal, oil, natural gas, salt, limestone, pyrites, wood, wood pulp wastes and hydro-electric power. The coal could be of better quality and both the coal and petroleum more advantageously located, but the increasing number of raw material options which these and other industries afford, provides at least a partial solution to these difficulties. They may be offset entirely by the fact that many other raw materials are becoming available in considerable quantity as by-products of other industrial operations. Only phosphate rock and potash in commercial quantities now appear to be lacking. Otherwise the picture would be complete.

Factors in Development

But it takes more than raw materials to make an industry. Properly financed, well-organized companies with abundant technical skill are also needed. This the Canadian industry has through its connections in other parts of the world and its ability to attract foreign capital when Canadian knowledge and financial support appear to be lacking.

No doubt the previous establishment of other basic lines of manufacture will continue to be of prime importance. Historically, the chemical industry has always followed in the wake of primary iron and steel mills, non-ferrous metal smelters, oil refineries and textile and paper mills. Such developments are no longer the sole determinants of its growth, but there is every indication that there will be no lack of support from this quarter. The mounting world-wide demand for Canadian materials and the fact that it is becoming increasingly economic to process them initially in this country will help to give Canadian chemical producers much of the support they need.

The "Economic Run"

Every manufacturer is up against the problem of the "economic run": so are chemical producers. For a long time, many processes could not be economically carried out in Canada, because of our limited population and the specialized nature and dispersal of our markets. Now the break-even point is being reached in more and more chemical products. This is reflected to some extent in Canada's import statistics. Numerous firms, after watching shipments from foreign sources mount steadily for a decade or more, have decided within the last two or three years to get into

production on their own in Canada. Dozens of new plants embracing buildings and equipment valued in the hundreds of millions of dollars have already been established in this country since 1950.

The characteristics of the Canadian market need not be the only consideration. There is plenty of evidence that firms here can operate successfully by integrating their domestic and export sales. One very large company, with the assistance of low-cost hydro-electric power, has been able to do this in the vinyl resins and certain other carbide chemicals. Another has done it with cheap power and an early start in cyanamide manufacture. Now cellulose acetate and a number of its derivatives are to be manufactured in this country, thanks largely to cheap natural gas. Perhaps in the not to distant future Canadian manufacturers will also work their way into other new fields—such as insecticides and soil conditioning agents—with the aid of outlets in other countries, principally the United States.

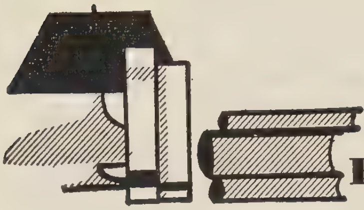
Competition Will Increase

This may be true of certain chemicals, but what are Canada's export prospects in general? Soon the struggle for world markets may again be on in earnest and Canadian producers may not be able to secure sales abroad with the same facility as they have over the past decade. The United Kingdom is becoming a much more important exporter of chemicals, and many Western European countries, including Germany, have built their production rates up to, and in many cases above, those of 1938. Not only are they making determined efforts to become independent of North American sources of supply, but they are also presenting a serious threat to dollar country producers in other parts of the world. With their lower real wage rates, their great technical competence, their prewar connections, and their ability to compete for Canada's overseas markets, they certainly cannot be ignored.

The role which the United States will play is perhaps even more important. The U.S. is potentially an attractive market for many Canadian chemicals. However, with the exception of agricultural chemicals, the U.S. duties imposed on Canadian chemicals are still prohibitive. Not only this, but American producers, periodically selling their surplus production elsewhere, are formidable competitors both at home and abroad.

Taking all these factors into account, it looks as if domestic production will, in future, increase much more rapidly than Canadian imports. The further growth and diversification of Canadian industry will largely account for that. On the other hand exports, other than fertilizers, may not grow as rapidly. Unless the Western world continues to prepare actively for all-out war, the tendency for chemicals as a group to show a relative decline in world trade may also hold true for Canada. This means that the future of our chemical industry will continue to depend more on the growth of the domestic market than on export sales.

This article, the last in a series of six appearing in "Foreign Trade", was prepared by J. Davis and J. P. Lounsbury of the Department of Defence Production. For the five earlier articles, see our issues of October 3, 10, 17, 24 and 31.—Editor.



Businessman's Bookshelf

Netherlands Import-Export, 1952

A.B.C. voor Handel en Industrie, N.V., Haarlem. 630 pages. $5.00.

THIS COMPREHENSIVE DIRECTORY is designed to serve any companies which carry on, or are developing, trade with the Netherlands. It first lists international freight transport and forwarding companies and their agents; banks; and general importers, exporters and intermediates, with the products each handles. The remainder of the book consists of a comprehensive list of producers of 16 different classes of commodities, and of importers, exporters and intermediates trading in these products. The directory will also tell you whether a particular firm is represented in Canada, once you master the use of the key to the information given.

Order from: Embassy of the Netherlands, 168 Laurier Ave. E., Ottawa, Canada.

The Canadian Mineral Industry in 1951

Mines Branch, Department of Mines and Technical Surveys. 170 pages. 50 cents.

OUTPUT OF MINERALS AND METALS IN CANADA reached a new high of $1·2 billion in 1951. Exports totalled $526 million (excluding manufactured or chiefly manufactured products) a rise of 27 per cent over 1950. Though 14 minerals and metals accounted for over 90 per cent of production, this report covers some 66 metals, industrial minerals, and fuels, even some (mercury, for example) not being mined in Canada. Data on each include production, trade and consumption, uses, and prices.

Order from: Queen's Printer, Ottawa, Ontario.

International Trade, 1952

General Agreement on Tariffs and Trade. 124 pages. $1.50.

PREPARED BY THE GATT SECRETARIAT, this report provides a comprehensive survey of international trade since the war and goes on to analyze the pattern of trade between areas, the trade in individual commodities, the trade of countries, etc. It shows that world trade reached an all-time high in 1951, though it recognizes that U.S. military and economic aid made this achievement possible.

The valuable general review in Part I gives place in Part II to a study of trade barriers and controls during the past two years, including a survey of subsidies and of bilateral trade agreements. Part III covers the activities of the contracting parties to GATT in 1952-53. It should give those interested in world trade a valuable background against which to study the eighth session of the contracting parties, recently concluded in Geneva.

Order from: Ryerson Press, 299 Queen St. W., Toronto, Ontario.

Loans at Work

International Bank for Reconstruction and Development. 35 pages. Free.

IN 1946, 54 nations jointly set up the International Bank for Reconstruction and Development, commonly referred to today as the World Bank. The first loan of $250 million went to France, to buy raw materials and industrial equipment. Today, total loans to 26 countries and three of their overseas territories have reached $1·5 billion. This pamphlet tells, in text and pictures, how that money has been used—to improve railways in the Rhodesias, to control floods in Iraq, to buy agricultural machinery in Colombia, to establish power projects in Iceland, and so on. It is an interesting story, well told.

Order from: International Bank for Reconstruction and Development, 1818 H Street N.W., Washington 25, D.C.

The Colonial Territories, 1952-53

United Kingdom Colonial Office. 157 pages. $1.25.

THIS REPORT presented by the Secretary of State for the Colonies to the United Kingdom Parliament is a comprehensive and readable record of one year's development in the British colonial and protected territories. The general survey in itself provides many interesting facts and the whole report is a model of clarity and brevity.

The different sections cover the Colonial Office and Service, constitution and administration of the territories; economic development (including production and marketing and communications); colonial finance; social services; research and surveys; international relations, and a summary of events and developments in individual territories.

Among the appendices are tables giving the major exports and imports and the area and population of the colonies.

Order from: United Kingdom Information Office, 275 Albert St., Ottawa, Ontario.

British Investment in Canada

New agreement between British and Canadian Governments on repayment of 1942 loan discards the former device for financing branch plants in Canada.

LONDON—Under the terms of the agreement between the British and Canadian Governments on the 1942 Canadian Loan, announced a few weeks ago, the device which made Canadian dollars available for direct investment in Canada is discarded. Up to now, Britain's payments against the Loan have been financed from the Canadian dollar proceeds of the redemption and sale of British-owned Canadian securities—or rather, from the residue of the sums that remained after Britain had used a portion of them for financing the establishment, or extension of, British productive enterprise in Canada.

Under the agreement reached by the two Governments after the war for the repayment of the 1942 Loan, a portion of the proceeds from the sale or redemption of securities might be used to finance direct investment by British companies in new or existing industrial enterprises in Canada. The remainder went towards paying off the Loan. This relieved the British Government of a drain on its gold and dollar reserves—the post-war financing of branch plant development in Canada. The scale of direct investment last year was such that the Loan payments declined to a rate of under $25 million a year. At this level, it would take nearly eight years to pay off the balance of $189 million.

This scheme, while encouraging direct investment, made no provision for British portfolio investments. Brick and mortar investments were, in effect, being built up at the cost of running down British portfolio investments in Canadian enterprises.

Forced Liquidation of Securities

Under the new agreement, Britain has undertaken to make an immediate payment of $39 million and to pay off the balance of the loan, $150 million, at the rate of $30 million a year from 1954 to 1958. Since 1949 she has been paying at the rate of $38 million on the postwar loan of $1,250 million. Beginning next year, dollar liabilities in respect of all American and Canadian loans will amount to $206 million a year until 1958, after which they will drop to $176 million.

Hitherto British residents who have sold Canadian dollar securities in Canada have had to surrender them to the Treasury. They are now free to switch into Canadian securities quoted on the London Exchange, or into quoted American securities. Proceeds from sales of U.S. dollar securities may be similarly switched. One result of the interchangeability is the removal of the anomalous premium on certain Canadian issues vis-à-vis American issues.

By discarding the old device by which British branch plants have been financed and the Loan repaid, Britain is now drawing directly on her gold and dollar reserves to do both. If there is no significant liquidation

of British-held securities there will be, in addition to the Loan payments, a considerable charge on reserves for the financing of direct investment by British industry in Canada. Last March the Chancellor of the Exchequer gave some indication of the volume of direct British investment in Canada During the first 2½ months of this year it totalled $49 million, of which about $20 million was for I.C.I.'s terylene plant in Ontario. Since then another large scheme has been projected—though not on the same scale as I.C.I.'s—which points to the possibility of a total investment for the year well over $100 million, but probably nowhere near the annual rate of $238 million suggested by the first 2½ months.

The corresponding figures for 1952 have not been disclosed, but in 1950 and 1951 the nominal value of British investments was increasing at a rate of over $28 million a year, including disinvestment as a result of liquidation of securities. In terms of current market values, the rate of increase is actually much higher than the nominal figures indicate. Whether or not the increase in the rate of investment this year is maintained will depend largely on the size and number of worthy projects that are put forward to Treasury by British and Canadian interests.

Not Hindered by Dollar Controls

The question now raised is whether investment at the level of recent years—which in the main must be financed directly from gold and dollar reserves—will be treated as liberally by the British Treasury as in the past. Mr. Butler's statement in the House of Commons last March was to the effect that the Government would be as liberal as possible. He inferred that no promising British scheme for corporate investment in Canada would be frustrated because of exchange control. He was anxious to see Britain increase her investment in the Dominion. For some time previous it was apparent that certain quarters—both in Canada and the U.K.—had the erroneous impression that exchange controls were hindering British participation in Canada's economic expansion. Mr. Butler was merely explaining Treasury's practice—of giving approval to all worthwhile schemes that have been put forward for expanding Britain's share in Canadian enterprise. Whereas at one time transfers of capital were largely confined to the financing of branch plants with majority British interests, there have recently been examples of authorizations on a broader scale, including minority holdings, financing operations by British issuing houses, and semi-speculative investment in mineral, housing and real estate projects.

Canadian Initiative Needed

Under the new agreement, therefore, it is expected that there will be no official impediment to the entry of British corporate capital into Canada for profitable ventures. The last 12 months show that even though in some sectors there may be lack of capital resources to exploit this position, the British investor can play a part in financing the expansion and diversification of Canadian industry and development of resources. Ways and means of engaging British capital in these developments is the problem.

—R. Campbell Smith
Commercial Secretary for Canada

Commodity Notes

AUSTRALIA

Tractors, Farm Implements—Reports from Western Australia say the market for tractors shows signs of recovery from the decline of last year. Two Australian models of the heavy type, one kerosene-operated and the other a diesel-driven tractor, are in production in Western Australia. A second diesel-type machine will be available within two months.

The market for agricultural implements such as disc-ploughs, scarifiers and scarifier-cultivators is improving, and the demand for agricultural machinery remains keen. Sales of headers and hay-making units are showing a seasonal increase—Melbourne, Oct. 5.

BRAZIL

Coal—Coal production during the first six months of this year increased slightly over the same period in 1952, totalling 992,094 tons, valued at Cr.$198,254,000, against 970,080 tons for the previous year—Rio de Janeiro, Oct. 10.

Iron Ore—Iron ore shipped in 1952 from all Brazilian ports totalled 1·6 million tons, with a total f.o.b. value of 434 million cruzeiros. Principal destinations were the United States, 10,054,991 tons; Germany, 120,569 tons; Canada, 115,705 tons; United Kingdom, 91,522 tons. The remainder went to Belgium-Luxembourg, Holland, Austria, and France. In 1951 the total quantity shipped was 1,320,007 tons at an f.o.b. value of 236 million cruzeiros—Rio de Janeiro, Oct. 10.

CHILE

Eggs—The Minister of Economy has authorized export of 6,000 boxes of eggs in monthly shipments of 2,000 cases (each case containing 360 units). These exports may be continued provided the supply for domestic consumption is assured. At the moment surplus quantities are reported—Santiago, Oct. 7.

EAST JAVA

Singlets—The first singlet factory in Indonesia was recently opened at Sourabaya, East Java. It will employ 100 workers and will have a monthly output of 9,600 dozen singlets—Djakarta, Sept. 28.

ISRAEL

Quartz Radio Crystals—A factory built with U.S. and local capital, on the initiative of the Ministry of Defence, is producing from imported raw quartz and moulded phenolic holders radio crystals used in all

types of civilian and military communications equipment to provide stability and frequency control for wireless transmission and reception. Output is estimated at 20,000 units a month, valued at approximately $80,000. Export prospects are considered good because this factory is reportedly the only one of its kind in the Middle East and East Europe—Athens, Oct. 6.

NETHERLANDS

Paper—It has been announced that 18 paper processing plants in Belgium, France, Italy, Netherlands, Norway, Spain, Switzerland and Western Germany will in future exchange all patents, ideas and production improvements. The parties concerned are said to produce between 60 and 70 per cent of all paper and plastic packing material in the area they represent and are members of "Europack" (Association Européenne pour le Perfectionnement du Paquetage)—The Hague, Oct. 14.

SCOTLAND

German Steel—To relieve difficulties encountered in making deliveries of propelling machinery for ships being built in the Clyde, a Greenock firm has purchased several hundred tons of steel and boiler plates from Germany at considerably increased cost. The purchase was arranged after inquiries had shown little hope that deliveries of the home-produced material could be speeded up. Officials of one shipyard, whose restricted launching program has had to be further curtailed, declare they have never been worse off for steel. They are now dependent on day-to-day supplies when formerly they had reserve stocks—London, Oct. 19.

UNITED STATES

Soybeans—A soybean crop of 280 million bushels was expected, as of September 1st, 5 per cent less than was forecast last month. Drought and hot weather in late August cut prospective yields sharply in the southern soybean area, especially in Missouri and Kansas. In the northern areas there was much less damage. In Minnesota, where moisture has been adequate, prospects improved. Incidentally, soybeans appear to be one of the few crops for which there is an active export demand at present—Chicago, Oct. 23.

WEST GERMANY

Plastics—During 1952, German production of artificial plastic materials amounted to 200 thousand tons, which is about 12 per cent of world production. Exports totalled 23,817 tons, with a value of 102 million DM. This year's production is expected to be 250 thousand tons, provided exports develop favourably. During January-July 1953, approximately 21,200 tons were exported, with a value of 90 million DM., as compared with 13,518 tons and 70 million DM. respectively, the previous year. Exports included 47 per cent of polymerization products, 24 per cent of condensation products and 26 per cent of products derived from cellulose—Bonn, Oct. 12.

Dutch Cheese Earns Canadian Dollars

Careful attention to quality and price, plus skilful promotion, have helped to increase sales of Dutch cheese in the Canadian market and boost Holland's dollar earnings.

THE HAGUE—The Netherlands is the world's second cheese exporter; in 1952, she was surpassed only by New Zealand, with its exports of 91,650 metric tons. Dutch cheese shipments last year totalled 78,000 m. tons, went to some 120 countries. and brought in 198 million guilders (Can.$51·7 million) in foreign exchange. Prewar exports averaged about 60,000 m. tons, going to 80 countries. This represented 2½ per cent of Holland's total exports and nearly a quarter of its dairy exports value.

Deliveries of cheese to the dollar area constitute only a small fraction of the total but are assuming increasing importance because of the Netherland's continuing dollar gap. U.S. import restrictions continue to hamper expansion there, but the Dutch regard Canada as a market with growing possibilities.

Markets in Europe

Eighty-five per cent of Holland's cheese exports are concentrated in West European markets, nearly 10 per cent go to the dollar area, and the remainder to other countries throughout the world.

Belgium remains the mainstay of the Dutch cheese export industry and this trade presents few difficulties. Dutch cheese normally represents about 85 per cent of total Belgian cheese imports. Annual shipments to Belgium before the war totalled about 20,000 tons, or about 35 per cent of total Dutch cheese exports. Since 1949, the proportion of Dutch cheese exports going to Belgium has remained close to 35 per cent but the quantity has increased to about 26,000 tons a year.

West Germany in 1950 resumed its prewar position as Holland's second best cheese customer. But sharp Danish competition and a 30 per cent import tariff introduced in October 1951 have placed a limit on expansion in that area. Exports to all Germany in 1938 totalled 17,100 tons. From a modest 5,500 tons in 1949 they jumped to 22,300 in 1950 but fell back (partially because of import restrictions brought on by Germany's economic crisis that spring) to 18,000 in 1951. In 1952, they reached 19,400 tons. Imports of Danish cheese grew from 17,500 to 22,600 tons in the same period.

Efforts to supply the United Kingdom with a larger share of its cheese imports have succeeded to the point where the volume delivered in the past two years—11,700 and 12,100 tons—has exceeded the prewar figure of about 10,000 tons. The Ministry of Food purchased larger quantities shortly after the war. Complaints about the quality of Dutch cheese reaching the public induced the Dutch to press for release of their cheese from the rationed list, despite the danger of a sharp price rise because of the loss of subsidy. The immediate effect was a serious drop

in shipments but the policy has paid off in steadily growing exports to Britain, aided by continued rationing of non-specialty cheese and an active publicity campaign in the south of England.

France was Holland's fourth customer for cheese in 1952, taking 3,100 tons. However, quota restrictions and a temporary embargo this year make expansion there unlikely in the near future.

More encouraging prospects have appeared in North Africa and the Western hemisphere. In the Mediterranean area, Egyptian (2,000 tons in 1952), Moroccan (800 tons) and Algerian (600 tons) consumption, though small, is increasing. The same is true of Venezuela (2,500 tons) and Cuba (1,300 tons) in the Caribbean area.

Canada and the U.S.

Recently, the Dutch have been paying increasing attention to dollar markets. Just after the war ECA persuaded Dutch producers and exporters to study the U.S. market and to supply products designed to suit American tastes. Cheese exports to the U.S.—1,364 tons in 1938—reached only 640 tons by 1951, when U.S. import restrictions were applied. Puerto Rican imports grew from nothing to 1,234 tons in 1951 when the same restrictions forced a cutback to 900 tons in 1952. Despite an easing in restrictions since then, uncertainty about American import policies has led to the abandonment of elaborate plans for promotion in the U.S. market in 1952. This development had the indirect effect of focusing more attention on Canada as an outlet.

Canadians, though they are not great cheese-eaters, have shown a growing taste for the Dutch product. In 1951 Canada imported 200 tons but in 1952 this increased to 315 tons—a 58 per cent gain.

Soaking in brine tanks to form a natural rind is part of the processing of Dutch cheese. Rigid control of quality, composition and packing has helped Dutch cheese-makers to expand their export sales. West Europe remains the leading market but nearly 10 per cent of production goes to the dollar area.

Some initial promotion efforts were made at the Canadian International Trade Fair, with useful results. Following this, the Dutch producers concentrated their efforts on the Canadian National Exhibition in Toronto which attracts large masses of consumers. Last year the Holland Cheese Exporters Association operated a stand at the CNE and distributed half a million samples of Dutch cheese. Results were so encouraging that a repeat performance was organized for the 1953 CNE.

Credit for growing exports to Canada largely goes to the Holland Cheese Exporters Association. This organization was established in 1951 with the primary objective of boosting exports to the dollar area. Its activities include publicity abroad, financed by a small levy on exports, and establishment of minimum export prices. For Canada these prices are:

	per 100 lb. (in Canadian dollars)
Solid cheese	
a. Full fat cheese (except luncheon cheese), farmers' cheese Leyden and Delft cheese	40.00
b. Luncheon cheese, per dozen	4.95
c. 40 per cent cheese (except "Baby Edam")	38.50
d. Baby Edam	43.00
Process cheese	
a. Full fat and 40 per cent rindless cheese	39.50
b. Full fat cream cheese	36.00
c. 40 per cent cream cheese	34.20
(c.i.f. American or Canadian port.)	

Quality Carefully Controlled

For the most part Dutch cheese exports are made up of two well-known types, Gouda and Edam, and cheese processed from them. The complete list of those permitted export includes the following:

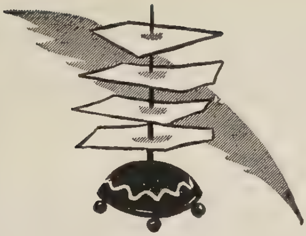
1. Full cream Gouda cheese (both factory and farmhouse).
2. 40† Edam, Commissie, Middlebaar, loaf-shape and baby Edam.
3. Full cream luncheon cheese of the Gouda cheese or coalbrick shape.
4. 40† Friesian clove, "Kanter" and Leyden cheese.
5. Full cream rindless and spread cheese.
6. 40† rindless and spread cheese.
7. 20† farmhouse Leyden or farmhouse Delft cheese.
8. Full cream Cheddar cheese.
9. Limburger or Herves cheese.

† refers to percentage of fat content.

Since August 1948, rigid export controls ensuring the genuineness of the cheese, its composition, quality and soundness of packing, have been enforced.

Non-processed cheese must be at least sixty days old for export to Canada or the U.S.; seven weeks old for non-European countries, Portugal or Mediterranean countries, with the exception of France; or five weeks old if intended for export to other European countries. For processed cheese, the minimum age limit is three weeks at time of loading for export. Cheddar cheese (almost none is produced at the present time) must be at least twelve weeks old for export.

—C. J. Small
Acting Agricultural Secretary for Canada



General Notes

ARGENTINA

New Drugs Plant—A new plant to produce streptomycin and dihydro-streptomycin will be started shortly by an Italian firm, it has been announced. Some 90 per cent of the machinery and construction materials will be obtained locally, and only specialized apparatus imported from Italy. Production is planned for the end of 1953—Buenos Aires, Oct. 6.

AUSTRALIA

Aluminum Project—Work on the Bell Bay aluminum project in Tasmania is reported nearing completion. Only minor work remains to be done on the new wharf where bulk cargoes of bauxite and coal are to be unloaded; limestone will be ferried across the river from Beaconsfield. The project, capable of producing 13,000 tons of aluminum ingot a year, is expected to be in production about the middle of 1954. At the present landed cost of aluminum ingot, the plant's eventual output is expected to be worth approximately £ $2\frac{1}{4}$ million a year. This should give a measure of relief to Australian drawings on the dollar pool because all aluminum ingot is at present imported, chiefly from North America—Melbourne, Oct. 2.

INDIA

Wool Grading Centre—The decision of the Government of India to establish a wool-testing centre at Jaipur and to grade the wool intended for export may not be uniformly popular with the carpet trade, but it will help substantially in stabilizing India's exports. The present lack of standardization is said to be responsible for the difficulties experienced in changing over from the consignment basis, to the contract basis, which is likely to be more profitable to Indian exporters. The grading scheme which the Ministry of Agriculture is considering concerns both quality and colour—New Delhi, Oct. 3.

ITALY

New Bridge Designed—The most daring bridge in Europe has been built in the Garfagnana valley, Province of Massa, to cross an artificial lake now being completed. It is a one-span bridge divided into two half-arches resting on diagonal girders. Each half-arch of reinforced concrete is 42 metres long and weighs 75 tons. The two halves work on hinges like draw bridges, uniting at the centre by means of a third hinge. The bridge was planned by an Italian, Ing. Riccardo Morandi, and it will cost 30 million lire. The dam con-

structed to form the artificial lake, called the "Turrita" dam, is one of the largest in Italy—95 metres high and 10 metres wide at the top. Building materials included 185 thousand cubic metres of concrete, 30,000 tons of cement and 500 thousand cubic metres of stone, and it cost over 200 million lire—Rome, Oct. 24.

JAMAICA

New Companies—New companies which have recently been declared under the Pioneer Industries Law in Jamaica are manufacturers of plywood and veneers, drinking straws, dry ice and gramophone records. Applications to acquire this status have been posted for the production of corrugated paper and cardboard, and for the manufacture of heavy-purpose containers from paper—Kingston, Oct. 16.

JAPAN

Inspection of Exports—Compulsory inspection of an additional number of items before they are allowed to be exported from Japan is being enforced, effective October 1, 1953. The goods to be inspected include beans, mandarin oranges, straw mat coverings, tea, diesel engines for ships (two and four cycle), and other types of ship engines—Tokyo, Oct. 5.

ST. LUCIA

Public Sugar Company—Private owners of the two largest sugar estates in St. Lucia have decided to sell out and plans are being pushed to set up a public company to take control. Ownership in the two estates is concentrated in one family, and it is felt that no harmony can exist in the sugar industry as long as this situation prevails. Meanwhile, cultivation is at a standstill—Port-of-Spain, Oct. 8.

SOUTHERN RHODESIA

Trade Balance Improves—During the first six months of the year the deficit on the trade balance was nearly halved. For the first time in ten years, half-year figures were less than those for the same period in 1952. Imports to the value of £38·6 million showed a decline of £5·6; exports at £27·0 million were higher by £3 million—Cape Town, Oct. 10.

UNITED KINGDOM

Slight Recovery in Exports—From the low figure of £207 million in the holiday month of August, United Kingdom exports in September rose by £2·7 million to £209·7 million. During the same period, imports increased even more rapidly to £269·7 million, spreading the trade gap to £60 million, compared with £42 million in August.

The expansion of British exports in September resulted from increased sales to sterling markets, since exports to North America moved upward only slightly in September to stand at £25·4 million. This small net increase was the result of a rise in exports to the United States amounting to £1·1 million over August, countered by a decrease in shipments to Canada of £200 thousand in the same period—London, Oct. 14.

Venezuela

The Market for Shell Eggs

CARACAS—The shell egg market in Venezuela is extremely active. Weekly imports at La Guaira, the seaport for the capital, average about 8,000 cases, estimated to be more than 80 per cent of the total consumption of the Federal District. As long as this amount arrives and there is no disruption of shipments such as dock strikes or other incidents, the Caracas price reflects the New York price, with the customary addition of the agent's 30 cent per case commission, the wholesaler's 8 to 10 per cent, and the retailer's 15 to 25 per cent. The high cost of warehousing means that a landed surplus quickly depresses prices and, contrary-wise, as stocks are always kept at a minimum, a shortage sends prices up sharply. Over and above the price fluctuation at wholesale, there is a wide difference in mark-up in various city districts, ranging as high as 30 per cent at times between the low-income area prices and those in supermarkets in the better residential districts.

Rates of Duty

The applicable rate of duty is Bs.2.00 (60 cents) per gross kilo, but shell eggs are at present exonerated from 100 per cent of the duty when they arrive at the ports of La Guaira, Puerto Cabello, and Guanta. The exoneration is only 50 per cent for the port of Maracaibo. Exoneration is conditional on the provision of a certificate from the country of origin stating that at least 65 per cent of each case is of Grade "A" quality during the period June 1st to October 31st of each year, and for the remaining months, that 80 per cent or more of each case is of Grade "A" quality.

The agents for North American suppliers receive prices by cable and telephone, contact their customers and immediately cable their orders, usually specifying delivery on the weekly-scheduled passenger boats from New York. The importers are billed directly and the agent watches collections closely, because some of the more active wholesalers are perhaps under-capitalized, considering the extent of their trading.

Canadian Eggs Preferred

Canadian eggs have a reputation for quality which sometimes permits sale at a premium price and helps to offset the costly transport to New York. The big demand is for mediums, but pullets sell well in season and "A" Large are becoming more acceptable as the high breakage formerly associated with this size is gradually being overcome.

Complete confidence and co-operation between agent and supplier are essential in this trade, a highly competitive one because of the volume and regularity of demand. For those who can compete, however, the time is opportune to enter the market; many first-class agents are anxious to buy from Canadian sources.

—D. B. Laughton
Agricultural Secretary for Canada

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Winnipeg, November 23 and Vancouver, December 1-11.

R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Toronto, November 2-13, Ottawa, November 16-20 and Montreal, November 23-December 4.

Paul Sykes, Canadian Government Trade Commissioner in Ceylon, completes his Canadian tour in Ottawa, November 9-10.

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Montreal.

Canadian Manufacturers Association—Toronto, Winnipeg.

Department of Trade and Commerce—Ottawa and Vancouver (355 Burrard Street).

Postings in the Service

BECAUSE MANY OF OUR READERS are interested in knowing of the transfers of Trade Commissioners, we propose to publish, from time to time, brief notes on new postings. These changes will also appear in the directory of the Foreign Trade Service Abroad, published monthly.

E. M. Gosse, who has been Canadian Government Trade Commissioner (Fisheries) at Kingston, Jamaica, is being posted to our office at Ciudad Trujillo, Dominican Republic, a more central point from which he can reach the fish-consuming centres of the Caribbean. His territory will include the Dominican Republic, Haiti, Puerto Rico and Jamaica.

Other changes in recent months or to take effect soon are:

A. P. Bissonnet, Commercial Secretary at Karachi, will return to Ottawa for duty at the end of November.

A. B. Brodie, formerly Area Trade Officer (Commonwealth) at headquarters, took up his new post as Canadian Government Trade Commissioner in Leopoldville last August.

T. M. Burns, who had been on duty in Ottawa for a year, in September arrived in London where he is Assistant Commercial Secretary.

B. C. Butler, Trade Commissioner and Consul at Detroit, will be transferred to Paris as Commercial Counsellor at the end of the year.

V. L. Chapin, at present Assistant Commercial Secretary at Brussels, will become Commercial Secretary at The Hague in December.

A. W. Evans, recently Commercial Secretary at Havana, has now taken up his new post as Canadian Government Trade Commissioner in Cape Town.

W. Gibson-Smith, formerly Trade Commissioner at Leopoldville, has opened our new office in Montevideo, where he is Commercial Secretary.

Wm. Jones, formerly Assistant Commercial Secretary at Bonn, returned to Ottawa in August and is now Area Trade Officer (Commonwealth) at headquarters.

H. E. Lemieux, formerly Assistant Commercial Secretary at Buenos Aires, is now en route to Manila, where he will be Vice-Consul and Assistant Trade Commissioner.

K. F. Noble, Trade Commissioner at Cape Town, will be transferred in December to Johannesburg.

K. G. Ramsay, formerly Assistant Commercial Secretary at Stockholm, is now Assistant Commercial Secretary at Brussels.

B. I. Rankin, formerly Commercial Secretary at Bombay, has returned to Canada for duty.

G. H. Rochester, formerly Chief of the Wood and Wood Products Division in Ottawa, is now Commercial Secretary (Timber) in London.

R. D. Roe, formerly Commercial Secretary (Timber) in London, has been loaned to the Department of Defence Production as Director of its United Kingdom office in London.

R. G. C. Smith, formerly Commercial Counsellor in Paris, is now Commercial Counsellor in Washington.

R. K. Thomson, who has been temporarily in New Delhi as Acting Commercial Secretary, is now Commercial Secretary in Karachi.

Tour of Territory

T. M. Burns, Assistant Commercial Secretary in London, England, will visit Glasgow and Edinburgh, November 23 to December 3. Businessmen interested in these two cities should get in touch with Mr. Burns in London as soon as possible.

Brazil Auctions Currency Certificates

Details on the first two sales of currency certificates to importers at Rio show how the new exchange regulations are operating.

DETAILS OF THE FIRST TWO SALES of currency certificates at auction in the Rio de Janeiro stock exchange have now been received. They give some indication of how the new Brazilian exchange regulations are operating.

Under the new system, the purchase of currency certificates entitles the Brazilian importer to obtain foreign exchange at the official selling (import) rate of 18.82 cruzeiros to the United States dollar. Certificates specify the type of foreign exchange and the import category to which they apply. Imports are divided into five categories according to their essentiality. (For further background see "Brazil Revamps Controls" in *Foreign Trade* of October 31.)

The first auction took place on October 16. In the Rio de Janeiro stock exchange, certificates to a total value of $6 million were made available. Of this total $600 thousand, or 10 per cent, was for United States dollars. The remainder applied to exchange for imports under various bilateral trade and payments agreements which Brazil has concluded with non-dollar countries.

Of the U.S. $600 thousand, 70 per cent was made available for category 1 and category 2 imports. The prices paid for the United States dollar certificates for 120-day delivery of exchange were as follows:

Category	Minimum Price (cruzeiros per U.S. dollar)	Maximum Price (cruzeiros per U.S. dollar)
1	15	31
2	20	26
3	30	36
4	36	40
5	..	..

The second auction was held on October 21, when $5·6 million was offered in the Rio stock exchange—$600 thousand for United States dollars, the remainder for imports under various payments agreements. Seventy-three per cent of the United States dollars were for first and second category imports. The prices paid for 120-day delivery certificates were:

Category	Minimum Price (cruzeiros per U.S. dollar)	Maximum Price (cruzeiros per U.S. dollar)
1	15	21
2	23	34
3	41	51·5
4	40	43
5	100	102·5

At these prices, even the most essential imports from Canada would be subject to an effective exchange rate of close to 40 cruzeiros per dollar —the official rate, plus the cost of the currency certificates.

Trade and Tariff Regulations

INDONESIA

New Export Inducement System Introduced—In an effort to stimulate the export of certain commodities, Indonesia introduced a system effective October 12, 1953, under which exporters receive certificates for a percentage of the value of certain exports. These inducement certificates may be used to import specified foodstuffs and luxuries.

The percentage of export proceeds for which certificates are granted ranges from 5 per cent on ungraded rattan to 10 per cent on certain grades of rubber produced by smallholders, kopal, certain hides and skins, eucalyptus oil and incense.

The list of goods which may be imported by holders of inducement certificates includes honey, jams and marmalades; sauces including tomato sauce; preserved fish, meats and fruits, fruit juices; condensed milk, rolled oats, cheese, refrigerators, certain radios, toys, automobiles of a landed value exceeding $2,100 and fountain pens made of precious metals. Imports coming under the new inducement system will not be granted regular foreign exchange permits.

The import of goods by the use of inducement certificates remains subject to the regulations regarding advance payments and import surcharges. These surcharges amount to 100 per cent of the landed value on foodstuffs coming under this system and to 200 per cent on the luxury items—Djakarta, October 16.

Information on individual goods which may be imported against inducement certificates may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

UNITED KINGDOM

Private Imports of Linseed Oil—From November 15, 1953, importers will be permitted to bring in from any source one ton of linseed oil (or three tons of linseed) for every one ton of linseed oil they purchase from the Ministry of Food. The previous ratio was on the basis of one ton imported for every two tons purchased from the Ministry. Licences will be valid until February 28, 1954. After that date, imports will no longer be related to purchases from the Ministry and will be permitted from any source under Open Individual Licences—London, Oct. 28.

Foreign Trade Service Abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

Territory	Officer	City Address	Mail and Cables, Office Telephone
Argentina	C. S. Bissett, Commercial Counsellor W. F. Hillhouse, Agricultural Secretary	Canadian Embassy, Bartolome Mitre 478, Buenos Aires	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 33-8237
Australia (Capital Territory, New South Wales, Queensland, Northern Territory) Dependencies	C. M. Croft, Commercial Counsellor for Canada	City Mutual Life Building, 60 Hunter Street, Sydney	*Mail:* P.O. Box 3952 G.P.O. *Cable:* Canadian *Tel.:* BW 9351
Australia (Victoria, South Australia, Western Australia, Tasmania)	R. W. Blake, Commercial Secretary for Canada and Agricultural Secretary	83 William Street, Melbourne	*Mail:* (City Address) *Cable:* Canadian *Tel.:* MU 4716
Belgian Congo Angola, French Equatorial Africa	A. B. Brodie, Canadian Government Trade Commissioner	Forescom Building, Leopoldville 1.	*Mail:* Boîte Postale 373 *Cable:* Canadian *Tel.:* 2706
Belgium Luxembourg	T. J. Monty, Commercial Secretary	Canadian Embassy, 35 rue de la Science, Brussels	*Mail:* (City Address) *Cable:* Canadian *Tel.:* 11-33-88
Brazil	C. R. Gallow, Commercial Secretary	Canadian Embassy, Edificio Metropole, Av. Presidente Wilson 165, Rio de Janeiro	*Mail:* Caixa Postal 2164 *Cable:* Canadian *Tel.:* 42-4140
Brazil	C. J. Van Tighem, Consul of Canada and Trade Commissioner	Canadian Consulate, Edificio Alois, Rua 7 de Abril 252, Sao Paulo	*Mail:* Caixa Postal 6034 *Cable:* Canadian *Tel.:* 36-6301
***Ceylon**	Office of the High Commissioner for Canada	6 Gregory's Road Cinnamon Garden Colombo	*Mail:* P.O. Box 1006 *Cable:* Domcan *Tel.:* 5876
Chile	M. R. M. Dale, Commercial Secretary	Canadian Embassy, 6th Floor, Av. General Bulnes, 129, Santiago	*Mail:* Casilla 771 *Cable:* Canadian *Tel.:* 64189
Colombia Ecuador	W. J. Millyard, Commercial Secretary	Canadian Embassy, Avenida Jimenez No. 7-25, Office 613, Bogota	*Mail:* Apartado 1618 *Airmail:* Apartado Aereo 356[illegible] *Cable:* Canadian *Tel.:* 12-251
Cuba	Acting Commercial Secretary	Canadian Embassy, Edificio Motor Centre, Calle Infanta 16, Havana	*Mail:* Apartado 1945 *Cable:* Canadian *Tel.:* UO-9457
Dominican Republic Haiti, Puerto Rico Dominican Republic Haiti, Puerto Rico Jamaica	R. E. Gravel, Canadian Government Trade Commissioner E. M. Gosse, Canadian Trade Commissioner (Fisheries)	Edificio Copello 408, Calle El Conde, Ciudad Trujillo	*Mail:* Apartado 451 *Cable:* Canadian *Tel.:* 5318
Egypt Aden, Sudan, Cyprus, Ethiopia, Jordan, Saudi Arabia	Acting Canadian Government Trade Commissioner	Osiris Building, Sharia Walda, Kasr-el-Doubara, Cairo	*Mail:* P.O. Box 1770 *Cable:* Canadian *Tel.:* 23110
France Algeria, French Morocco, French West Africa, Tunisia	Commercial Counsellor for Canada	3 rue Scribe, Paris	*Mail:* (City Address) *Cable:* Canadian *Tel.:* OPEra 42-30
Germany Federal Republic	B. A. Macdonald, Commercial Counsellor	Canadian Embassy, 22 Zitelmannstrasse, Bonn	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Bonn 21971

Territory	Officer	City Address	Mail and Cables, Office Telephone
ermany	Wm. Van Vliet, Agricultural Secretary		
reece Israel, Turkey	H. W. Richardson, Commercial Secretary	Canadian Embassy, 31 Vassilissis Sophias Ave., ATHENS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 72-853
uatemala Costa Rica, El Salvador, Honduras, Nicaragua, Panama and Canal Zone	J. C. Depocas, Canadian Government Trade Commissioner	28, 5a Avenida Sud, GUATEMALA CITY	*Mail:* P.O. Box 400 *Cable:* CANADIAN *Tel.:* 5590
ong Kong China, Indo-China, Macao, Taiwan	T. R. G. Fletcher, Canadian Government Trade Commissioner	Hong Kong and Shanghai Banking Corporation Bldg., HONG KONG	*Mail:* P.O. Box 126 *Cable:* CANADIAN *Tel.:* 28336
ndia	Richard Grew, Commercial Counsellor	Office of the High Commissioner for Canada, 4 Aurangzeb Road, NEW DELHI	*Mail:* P.O. Box 11 *Cable:* CANADIAN *Tel.:* 40191
ndia Burma	Acting Commercial Secretary for Canada	Gresham Assurance House Mint Road, BOMBAY	*Mail:* P.O. Box 886 *Cable:* CANADIAN *Tel.:* 20672
ndonesia	W. D. Wallace, Commercial Secretary	Canadian Embassy, Tanah Abang Timur 2, DJAKARTA	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Gambir 499
reland	T. G. Major, Commercial Counsellor	Canadian Embassy, 66 Upper O'Connell St., DUBLIN	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 44251
taly Libya, Malta, Yugoslavia	S. G. MacDonald, Commercial Counsellor	Canadian Embassy, Via Saverio Mercadante 15, ROME	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 846-842
taly	C. F. Wilson, Agricultural Counsellor		
taly	M. S. Strong, Commercial Secretary (Fisheries)		
amaica Bahamas, British Honduras	M. B. Palmer, Canadian Government Trade Commissioner	Canadian Bank of Commerce Chambers, KINGSTON	*Mail:* P.O. Box 225 *Cable:* CANADIAN *Tel.:* 2858
apan Korea	J. C. Britton, Commercial Counsellor	Canadian Embassy, TOKYO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 48-4116
ebanon Iraq, Syria	G. F. G. Hughes, Canadian Government Trade Commissioner	Centre Urbain Emir Beshir, Bâtiment A1, Rue Emir Beshir, L'Azarieh, BEIRUT	*Mail:* Boîte Postale 2300 *Cable:* CANADIAN
exico	M. T. Stewart, Commercial Counsellor	Canadian Embassy, Edificio Internacional, Paseo de la Reforma, MEXICO, D.F.	*Mail:* Apartado 126-Bis *Cable:* CANADIAN *Tel.:* 36-27-90
etherlands	Commercial Secretary	Canadian Embassy, Sophialaan 1-A, THE HAGUE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 18-51-06
etherlands Belgium, Denmark, Luxembourg	Acting Agricultural Secretary		
ew Zealand Fiji, Western Samoa	L. S. Glass, Commercial Secretary	Office of the High Commissioner for Canada, Government Life Insurance Bldg., WELLINGTON	*Mail:* P.O. Box 1660 *Cable:* CANADIAN *Tel.:* 70-644
orway Denmark, Greenland	J. L. Mutter, Commercial Secretary	Canadian Legation, Fridtjof Nansens Plass 5, OSLO	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 33-30-80

Territory	Officer	City Address	Mail and Cables, Office Telephone
Pakistan Afghanistan, Iran	R. K. Thomson, Commercial Secretary	Office of the High Commissioner for Canada, Hotel Metropole, Victoria Rd., KARACHI	*Mail:* P.O. Box 3703 *Cable:* CANADIAN *Tel.:* 5826
Peru Bolivia	H. J. Horne, Commercial Secretary	Canadian Embassy, Edificio Boza, Carabaya 831, Plaza San Martin, LIMA	*Mail:* Casilla 1212 *Cable:* CANADIAN *Tel.:* 71150
Philippines	F. H. Palmer, Consul General of Canada and Trade Commissioner	Ayala Building, Juan Luna Street, MANILA	*Mail:* P.O. Box 1825 *Cable:* CANADIAN *Tel.:* 3-33-35
Portugal Azores, Madeira	L. M. Cosgrave, Commercial Counsellor	Canadian Legation, Avenida de Praia da Vitoria, 48—1°D., LISBON	*Mail:* (City Addres *Cable:* CANADIAN *Tel.:* 53117
Singapore Brunei, Federation of Malaya, North Borneo, Sarawak, Thailand	D. S. Armstrong, Canadian Government Trade Commissioner	Room D-5, Union Building, SINGAPORE	*Mail:* P.O. Box 845 *Cable:* CANADIAN *Tel.:* 7739
South Africa (Natal, Transvaal) Southern Rhodesia, Northern Rhodesia, Nyasaland, Mozambique, Kenya, Tanganyika, Uganda, Zanzibar	K. F. Noble, Canadian Government Trade Commissioner	Mutual Building, Harrison Street, JOHANNESBURG	*Mail:* P.O. Box 715 *Cable:* CANTRACOM *Tel.:* 33-2628
South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Canadian Government Trade Commissioner	70 Avenida Jose Antonio, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 140 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Addre *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Addre *Cable:* SLEIGHING *Tel.:* Whitehall 870
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables Office Telephone
Jnited Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, LIVERPOOL	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* Central 0625
Jnited Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, BELFAST	*Mail:* (City Address) *Tel.:* 21867
Jnited States Delaware, Maryland, Virginia, West Virginia	†R. G. C. Smith, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., WASHINGTON, 6, D.C.	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* DEcatur 2-1011
Jnited States	Dr. W. C. Hopper, Agricultural Counsellor		
Jnited States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., NEW YORK CITY	*Mail:* (City Address) *Cable:* CANTRACOM *Tel.:* JUdson 6-2400
Jnited States	M. B. Bursey, Consul and Trade Commissioner (Fisheries)		
Jnited States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, BOSTON 16	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* HAncock 6-4320
Jnited States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. V. N. Gordon, Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, CHICAGO 6	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* STate 2-7312
Jnited States (Michigan, Ohio)	B. C. Butler, Consul and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, DETROIT 26	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* WOodward 5-2811
Jnited States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, LOS ANGELES 14	*Mail:* (City Address) *Tel.:* VAndike 7114
Jnited States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, NEW ORLEANS	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* RAymond 2136
Jnited States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, SAN FRANCISCO 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
Jnited States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	The Tower Building Seventh Avenue at Olive Way, SEATTLE 1, Washington	
ruguay Paraguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, MONTEVIDEO	*Mail:* Casilla Postal 852
enezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, CARACAS	*Mail:* Apartado 33 6 *Cable:* CANADIAN *Tel.:* 55818
enezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02073.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Oct. 29*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1306	
		Basic buying	·1959	
		Preferential selling	·1959	(1)
		Basic selling	·1306	
		Free	·07052	
Austria	Schilling		·03768	
Australia	Pound		2·2025	
Belgium Luxembourg & Belgian Dependencies	Franc		·01967	
Bolivia	Boliviano	Official	·00516	
British West Indies	Dollar		·5736	(3)
	Pound		2·7531	(4)
	Dollar	Brit. Honduras	·6882	
Brazil	Cruzeiro	Official selling	·05205	(5)
		Effective buying	·03454	
		Coffee buying	·04193	
Burma	Kyat		·2057	
Ceylon	Rupee		·2065	
Chile	Peso		·00891	(1)
Colombia	Peso	Basic	·3919	
Costa Rica	Colon	Official	·1745	(6)
		Free	·1475	*
Cuba	Peso		·9797	tax 2%
Czechoslovakia	Koruna		·1361	
Denmark	Krone		·1418	
Dominican Republic	Peso		·9797	
Ecuador	Sucre	Official	·06532	(7)
		Free	·05636	
Egypt	Pound		2·8132	
Fiji	Pound		2·4803	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00550	
French Pacific	Franc		·01539	
Germany	D Mark		·2333	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9797	
Haiti	Gourde		·1959	
Honduras	Lempira		·4898	
Hong Kong	Dollar	Free	·1657	*Oct. 16
Iceland	Krona	Official	·06016	
		Special buying	·04632	
		Special selling	·03732	
India	Rupee		·2065	
Indonesia	Rupiah	Basic	·08594	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Oct. 29	Notes (See below)
Iran	Rial	Official	·03037	*
		Certificate	·00977	*
Iraq	Dinar		2·7431	
Ireland	Pound		2·7531	
Israel	Pound	Basic	2·7431	
		Investment	·9797	(9)
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2989	
Mexico	Peso		·1133	
Netherlands	Guilder		·2578	
Netherlands Antilles	Guilder		·5195	
New Zealand	Pound		2·7531	
Nicaragua	Cordoba	Effective buying	·1484	(10)
		Official selling	·1389	
		With Surcharge I	·1217	
		With Surcharge II	·09748	
Norway	Krone		·1372	
Pakistan	Rupee		·2961	
Panama	Balboa		·9797	
Paraguay	Guarani	Basic	·06532	(1)
		With Surcharge I	·04665	(11)
		With Surcharge II	·03265	
Peru	Sol	Certificate	·05532	
Philippines	Peso		·4898	tax 17% (2)
Portugal	Escudo		·03419	
El Salvador	Colon		·3919	
Singapore & Malaya	Straits dollar		·3212	
South Africa (Union of)	Pound		2·7531	
Spain & Dependencies	Peseta	Basic buying	·04473	
		Basic selling	·08731	
		Basic commercial selling	·05964	(1)
		Free	·02487	
Sweden	Krona		·1894	
Switzerland	Franc		·2283	
Syria	Pound	Free	·2758	*Sept. 10
Thailand	Baht	Official	·07837	(1)
		Free	·05426	*Sept. 4
Turkey	Lira		·3499	
United Kingdom	Pound		2·7531	
United States	Dollar		·9797	
Uruguay	Peso	Official	·6450	
		Basic buying	·5503	
		Special buying	·4168	(1)
		Basic selling	·5156	
		Special selling	·3998	
Venezuela	Bolivar		·2924	(12)
Yugoslavia	Dinar		·00326	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

this means . . .

COMING!

in the November 14 issue

of *Foreign Trade*

COLOMBIA

a good dollar market

. . . for the Canadian expo

a factual report,

very much to the point.

oreign trade

NOVEMBER 14, 1953

Selling in Colombia

. . . . a guide for Canadian exporters

Colombia and the Exporter. . .

Modern Colombia dates from 1831 and, in the last fifty years, has made consistent progress. The Spanish conquerors worked its gold and emerald mines, began its important cattle-raising industry, and encouraged the growing of varied crops. With the 19th century came the planting of coffee plantations in the Central Cordilleras and, in the 20th century, oil discoveries that have since made Colombia the second largest petroleum producer in South America.

Canadians often think of Colombia as a land of bananas and of fine mild coffees. And with some reason . . . last year, Canada spent some \$18 million on Colombian goods . . . \$17·9 million for coffee and bananas alone. Yet that is only part of the story.

Colombia no longer follows a purely agricultural pattern. Industrial development goes steadily forward; the difficult transportation problems of a mountainous country are being tackled; the national income is rising by about three per cent a year; the trend from the country to the cities is becoming marked. All these developments mean opportunities for the alert exporter. And booming coffee exports, particularly to the United States and Canada, are providing the dollars to spend abroad.

This issue of "Foreign Trade" directs the exporter's attention to this promising market of 11½ million people, emphasizing the opportunities without minimizing the difficulties. The majority of the articles were written by the two officers of the Canadian Trade Commissioner Service stationed at Bogotá, out of their knowledge of what Canada produces and what Colombia wants to buy. We hope that the experienced exporter and the newcomer alike will find our survey stimulating and practical.

—The Editor

foreign trade

OL. 14 OTTAWA, NOVEMBER 14, 1953 NO. 359

ER . . . This view of the
s district of Medellin,
largest city in the Re-
with over 400 thousand
ants, shows the modern
cture and the air of
that marks most Col-
business centres to-
Note the older rococo-
ructure on the right.
by Standard Oil (N.J.)

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Colombia–

a good dollar market

—W. R. Grace & Co.

Coffee, grown largely by freeholders on small estates, provides some 78 per cent of Colombian exports. Coffee pays for capital goods, many other needed imports, though some goods still remain on the prohibited list.

BOGOTA—"Barranquilla is the front door to Colombia, and behind it lie the steaming jungles and snow-topped mountains, the cities and plantations and empty llanos (plains), the coffee and oil and gold of a country more than twice the size of France." Thus, in one sentence, an outstanding writer succinctly described Colombia and laid her finger on the two main props of the country's economy, coffee and oil. Beside these giants, gold is relatively unimportant.

In 1952 exports of coffee and oil together earned $451 million for the national treasury and accounted for over 90 per cent of exports. They have enabled Colombia to build up exchange reserves to a record $200 million so that, even though there is still exchange control, import permits are granted without delay for all goods not on the prohibited list.

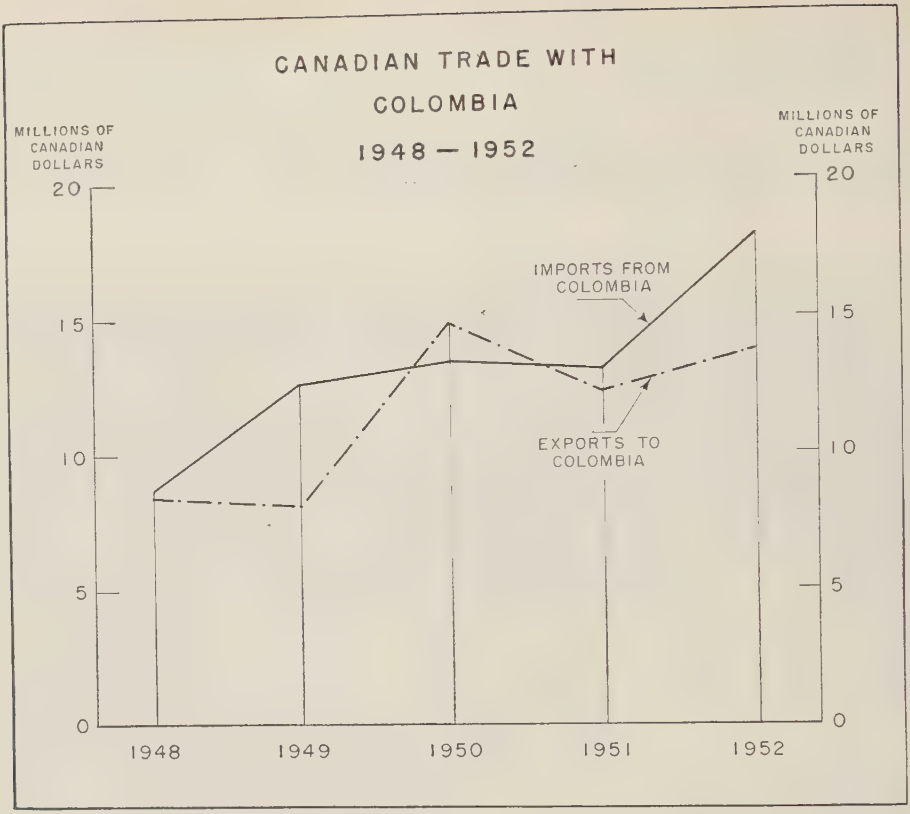
To give a better idea of the present pattern of Colombia's imports, the following table is set up to show the main classes of goods entering in considerable quantities during the past two years.

PRINCIPAL COLOMBIAN IMPORTS

	Value c.i.f. (in thousands of pesos)	
Type of Merchandise	1951	1952
Chemical fertilizers	11,262	9,282
Lubricating oils	6,555	4,834
Cotton in bales	34,620	42,944
Refrigerators	9,514	12,594
Aureomycin and other antibiotics (distinct from penicillin and streptomycin)	2,379	7,232
Auto buses	6,907	1,936
Automobiles and jeeps	7,692	19,846
Auto chassis	3,431	11,064
Trucks and station wagons	36,402	38,143
Bars of steel or iron	10,920	9,816
Cocoa	13,109	14,798
Natural rubber	7,587	5,551
Copra	21,426	17,522
Threads of artificial silk	11,298	3,851
Rubber tires of more than 19 lb.	3,939	6,035
Malt	9,178	7,195
Sewing machines and parts	5,158	7,505
Typewriters	4,139	3,144
Electric motors	3,453	5,310
Internal combustion motors	18,406	24,584
Kraft wrapping paper	6,029	6,401
Newsprint	5,657	7,545
Paraffin	5,404	7,012
Copper sulphate	4,798	5,976
Tractors	12,695	12,837
Electric transformers	3,266	6,956
Wheat	13,456	10,472
Tubes of iron or steel	4,839	6,766
Tiles of all types	474	19,846
Wire cables and ropes	1,260	1,216
Cigarettes	1,508	2,272

The prohibited list grew out of a serious exchange shortage which developed in 1950. In order to stop the continuing drain, a decree of March 20, 1951, declared that several hundred tariff items, covering

78628—2



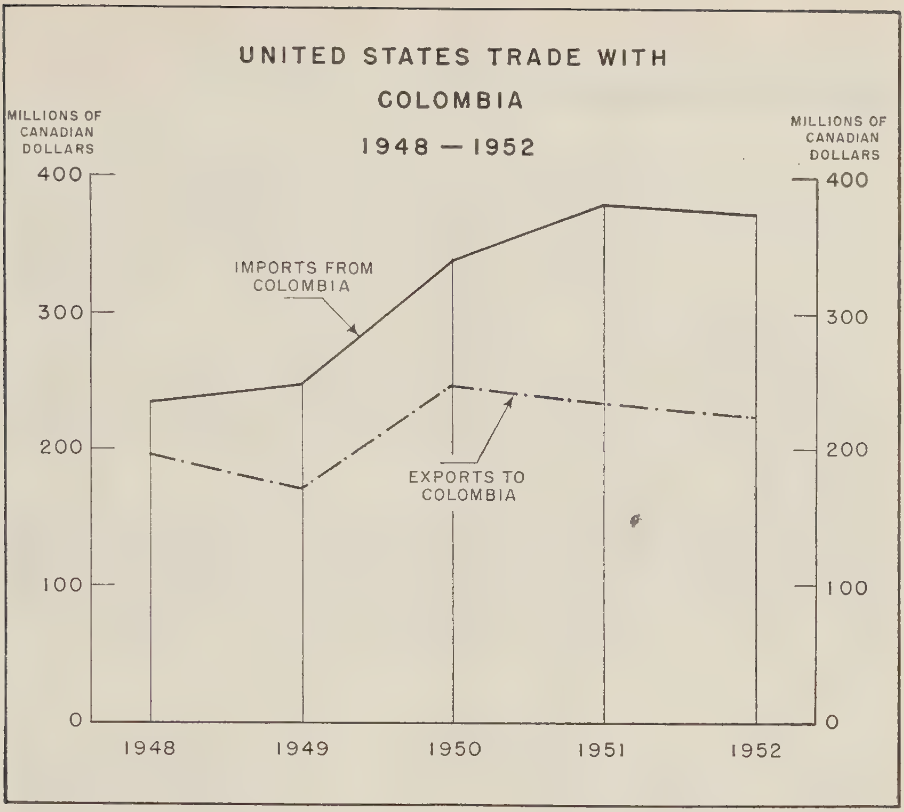
—Dominion Bureau of Statistics.

so-called "luxury goods", would not be allowed entry until further notice. However, the foreign exchange position has so improved in the past 18 months that the Colombian Government has been able to reduce the prohibited list substantially. Many lines of consumer goods still remain on it, including practically all textiles and clothing, soap, matches, untanned hides, leather goods, furniture, carpets, shoes, hats, jewellery, paper cartons, dolls and non-metallic toys.

Nevertheless, the protection afforded by the prohibited list has stimulated domestic industry and led to a relatively heavy influx of American branch plants eager to capitalize on the opportunity. In fact, manufacturing has developed so rapidly that in many types of prohibited goods Colombia is practically self-sufficient.

Strong Market for Capital Goods

This restriction does not mean that Colombia is not a good market for many lines of merchandise. Quite the contrary. It is a relatively prosperous country of 12 million people, with a purchasing power that bought imports in excess of $400 million in 1952, of which $229 million worth (55 per cent) were supplied by the United States and $13·7 million (3·4 per cent) by Canada. The merchandise thus imported contained a heavy percentage of capital goods—machinery, machine tools and factory supplies—raw materials for domestic industry and such consumer goods as may still enter.



—Dominion Bureau of Statistics.

Colombia's continued ability to import in such volume is, of course, contingent on the coffee market and on continued good crops. With Brazilian coffee plantations suffering from frost damage, the 1953 prospects for Colombia are excellent. This year's production promises to be a half-million sacks greater than last year's. Present coffee prices show no signs of decreasing and the Office of the Exchange Control is able to forecast a $40 million surplus on balance of payments, double that of 1952. Such a lucrative market is now the target for salesmen from both Europe and America, who are constantly to be seen in Colombian cities.

Colombia is definitely a buyer's market and prefers American-type merchandise. None the less, shop windows exhibit European brands in profusion and these nations are making a strong bid for the market, offering long credits and cheap prices. Letters of credit terms have been abandoned in all but bulk purchases such as wheat, and drafts payable 30, 60, or 90 days after sight are standard practice.

In 1952 Canada enjoyed only a small portion of this Colombian trade and there is unlimited room for expansion, provided Canadian exporters are prepared to make a concerted effort to meet foreign competition in service, quality, prices, and credit terms. The pages that follow review in some detail the sales possibilities for a wide range of goods produced in Canada and in good demand in Colombia.

—WILEY J. MILLYARD
Commercial Secretary for Canada

78628—2½

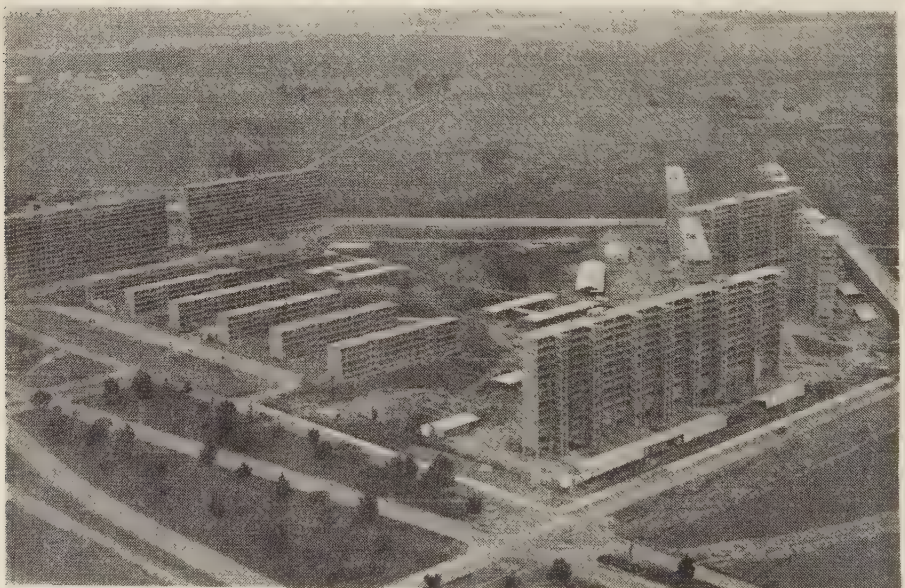
Building Materials

- *Market for imported plywood continues good.*
- *Plumbing supplies, builders' hardware in demand.*
- *Competition keen from U.S., Germany and Japan.*

MOST VISITORS TO COLOMBIA seem struck by the number of new buildings going up in every city, and especially in Bogotá. Modern office buildings 10 to 15 stories high are popular but duplexes and smart apartment houses, government buildings and hospitals are also springing up.

The general prosperity of the country, plus the rapid population increase in the cities, undoubtedly has spurred on the construction boom. In Bogotá, the civil riots of 1948 destroyed many old buildings in the downtown areas and the city has been rebuilding and expanding ever since. A ten year plan, similar to the Greber Plan for Ottawa, is being initiated to revamp the whole central part of the capital.

By far the largest experiment in mass housing is the half-completed Antonio Narino project on the outskirts of the capital. This "apartment city" sponsored by the Federal Department of Public Works will, when completed, offer cheap accommodation to an estimated 5,000 people. The Instituto de Credito Territorial, a semi-official organization, has been given the task of erecting 8,000 to 10,000 cheap houses, to cost less than $8,000



Photograph shows the Antonio Narino housing project in the suburbs of Bogotá, now nearing completion. It is designed for low-income families and will accommodate about 5,000 people in its many apartments.

each, for low-income families in various parts of the country. Twenty-year term bonds bearing 7 per cent interest are being sold to raise the capital and the tenants have twenty years to repay the mortgages.

Some Building Materials Imported

Most buildings in Colombia are constructed of reinforced concrete pillars with walls of brick covered with cement and all these materials are available from local industry. There is also a flourishing asbestos tile and wallboard industry using Canadian asbestos and producing enough to supply the market. However, plywood is popular for doors and walls and local production falls considerably short of demand. The quality is not as good as many foreign plywoods, and this has meant a brisk market for imported brands—a demand on which the Scandinavians have been capitalizing. Canadian mills have so far made little progress in this market because of high prices, but the opportunity is certainly there.

Some construction materials are not made in Colombia and must be imported. They include bathroom fixtures and plumbing supplies, builders' hardware (especially locks and hinges) and electrical wiring supplies, fixtures and appliances. Competition from Japan and Germany is keen in plumbing lines but the United States still dominates the market.

—*W.J.M.*

Canned Foods

- *Most canned fruits, vegetables, jams, denied entry.*
- *Commissaries of armed forces may buy these abroad.*
- *Canned meats and fish removed from prohibited list.*

THE FOOD PROCESSING INDUSTRY is in its infancy in Colombia and frozen foods (except fish) are unknown. There is one good-sized jam-marmalade plant in Cali which also preserves certain varieties of fruits and vegetables and sells its products throughout the country.

Although the import restrictions have been somewhat relaxed, most foreign canned fruits and vegetables, fruit juices, jams and marmalades are still on the prohibited list. Those specifically permitted entry include only canned mushrooms; stuffed olives in barrels; fruits preserved in alcohol; candied fruits; unsweetened fruit juices, natural or concentrated, with alcohol added; and unsweetened fruit juice concentrates from non-tropical countries packed in containers not designed for retail sale.

The commissaries of the Armed Forces, however, are not affected by the import restrictions and their purchases of canned fruits and vegetables from abroad are extremely large.

Canned meats and fish (also dried fish) are now off the prohibited list and are being imported in large quantities. However, there is a much larger market for canned and dried fish than for canned meats, partly because fish is eaten on holy days and also because Colombia is a meat-producing country, with fresh meats available at moderate prices. There are no meat packing plants in the country, but a small cannery in Santa

Marta on the Caribbean coast puts up a good quality pack of several kinds of fish, including herring. Canned salmon and sardines are extremely popular and are imported in large volume. Canadian brands are again in evidence and imports from Canada amounted to $62,660 in the first six months of 1953. Alaska salmon and Portuguese, Norwegian and Swedish sardines are to be seen in quantity and appear to command a larger share of the market than the brands from Canada.

Canned Foods Are Luxuries

Imported canned foods of all kinds are expensive and consequently only the more wealthy can afford them. Aside from high mark-ups there are two reasons for this:

- Imports of canned meats, fish, vegetables, etc., must be paid for with dollars purchased at the free rate of exchange, which ranges from 30 to 50 per cent above the official rate;
- Duties are very high; canned vegetables are subject to tariffs of Ps.$2.00 per kilogram, plus 25 per cent ad valorem. This means that, if there are several grades of any foodstuff available from abroad, the demand will be for the cheaper ones. One illustration of this is Canadian salmon: some 180,400 pounds of Pink but only 1,500 pounds of Sockeye were imported from January to June of this year.

—*W.J.M.*

Chemical Fertilizers

- *Some 15 per cent of farms now use chemical fertilizers.*
- *Most imports are made through government agency.*
- *Fertilizer materials brought in for mixing in country.*

ACCORDING TO PRELIMINARY 1952 STATISTICS, Colombia imported chemical fertilizers to the value of 9,282,737 pesos, or approximately $3·7 million, of which Canada supplied $335,888 worth. In recent years government agencies have made intensive efforts to promote the use of fertilizers and it is estimated that 15 per cent of the farming population now employ them to expand production.

The fertilizer business is largely in the hands of the Agricultural Bank (Caja de Crédito Agrario, Industrial y Minero) which maintains mixing plants in three centres and a bonemeal plant in Bogotá. There is also some commercial production of such organic fertilizer materials as cottonseed meal, castor bean meal and blood from slaughterhouses. A firm in Medellín produces about 15 tons a day of superphosphates, using imported phosphate rock and local sulphur.

A recent soil survey indicated that over great areas Colombian soils are deficient in nitrogen, phosphorous and potash, and that large imports plus expanded domestic production were needed to rectify the situation. Following on this survey, plans were prepared for a synthetic ammonium

—Standard Oil Co. (N.J.)

These Colombian rice fields show the value of chemical fertilizers, which are becoming widely accepted. The soil lacks vital elements and authorities are encouraging use of fertilizers to increase crops.

plant at Barrancabermeja on the Magdalena River, using natural gas to turn out ammonia and nitrogenous fertilizers. With the completion of the Paz de Rio steel plant at Belencito some time in 1954, large tonnages of ammonium sulphate and phosphoric slag will become available. The lime plant at Belencito is expected to produce about 40,000 tons a year for agricultural purposes.

Imports Are Rising

Imports have in the past and will in the future play an important part in meeting Colombia's fertilizer needs. Most of the imports are routed through the Caja Crédito which brings in fertilizer on its own account for distribution. The following figures show overall imports and those of the Caja for the same years. The discrepancy in the figures for 1950 may be explained by the fact that the government figures are approximate and those of the Caja are "paid for" imports:

Chemical Fertilizers

	Total Colombian Imports	Imports Caja Crédito Agrario
1948	12,500 tons	11,164
1949	20,700 "	12,768
1950	16,000 "	17,439
1951	56,200 "	28,449

The Caja estimates import requirements for subsequent years as follows:

1952	32,125 tons
1953	38,000 "
1954	45,000 "

The increased use of fertilizer reflects the fact that larger tonnages are becoming available and also that the Caja is growing interested in a wider range of Colombian crop production.

In recent years the tendency has been for Colombia to increase imports of fertilizer materials for mixing in the country rather than bring in the prepared fertilizer. Purchases are made largely from the United States, but also from Europe, where fertilizers such as potassium chloride are obtained in quantity. Direct import of fertilizers proves expensive, however, because of heavy internal transport costs in Colombia.

—J. E. LANCASTER
Assistant Commercial Secretary for Canada

Dairy Equipment, Cattle

- *Some demand for 750 c.c. milk bottles, paper caps.*
- *Good Holstein stock imported from Canada, the U.S.*
- *Government may finance import of dairy cattle.*

THE DAIRY INDUSTRY is one of the newest in Colombia and is still expanding. Bogotá Pasteurizadora San Luis, founded twenty years ago, is the largest dairy, with a daily production of 300 thousand bottles. The other eight modern ones have all been established in the last eight years. Two more are under construction, one in Cali and one in Bogotá, and when they begin operating, the combined daily production of all dairies may reach 2·5 billion bottles. The 1951 figure was 2·29 billion bottles of 750 c.c. each. There are still no codes which lay down standards and butterfat content varies widely. However, there is an active Association of Milk Producers and agitation for a dairy code is gathering momentum.

Most of the equipment has been brought in from the United States, although France, Germany and Britain have all shared in the business. Neither the bottles nor paper caps are produced in Colombia but come from the United States. The bottles most widely used are the 750 c.c. size and a large glass factory being erected in Bogotá expects to be producing them within two years.

Market for Holsteins

Colombia is well suited to dairy farming and has some fine pasture lands, particularly in the highlands near Bogotá and the rich valleys in the region of Cali and Medellín. The majority of the milch cows are a black and white variety known as "Criollas", which have been in the country for centuries. There are no reliable statistics but a reasonable estimate would be 1½ million cows. They are a hardy breed but their milk production is low—on an average no more than three pounds a day. In an effort to boost production, good Holstein stock has been imported from Canada and the United States and next to Criollas, Holsteins are the most numerous. Normandy, Brown Swiss and Red Poll follow in that order.

All four breeds might total half a million head. There is an active Holstein Association with headquarters in Bogotá. It publishes a first-class journal several times a year, carrying articles of interest to breeders reproduced in Spanish from American and Canadian publications.

Cattle for Small Farms

Several large dairy cattle fairs are held in various cities each year and the judging is usually done by an expert from the United States recommended by the American Holstein Association, which has close ties with the Colombian Association. A Canadian judge has never officiated though some of the finest stock is of Canadian origin. The high quality of Canadian Holsteins is well known to Colombian breeders, several of whom will be attending the fall shows in Canada this year. The huge government-sponsored "Caja Agraria" (the wealthy technical organization designed to assist agriculture throughout the country) is reported to be investigating the possibilities of financing the import of good dairy cattle for qualified farmers. Canadian exporters interested in such business may obtain particulars from the Commercial Section of the Embassy in Bogotá.

—*W.J.M.*

Heavy Electrical Equipment, Household Appliances

- *Projects under way for increasing power output.*
- *All equipment for power plants must be imported.*
- *Market for household appliances is growing.*

WITH THE EXCEPTION OF THE PAZ DE RIO STEEL PLANT now in process of construction, a few machine shops, railway and airplane repair and service depots, Colombia has no notable heavy industry or engineering production. All electrical gear to build and service electric power facilities, and allied lines including electric cable and wire, have to be imported. Even in the field of household appliances, assembly operations of foreign manufacturers have not developed to the same extent as in certain other Latin American countries. Import figures attached to the end of this report give some indication of the reliance on imports to meet market needs and demonstrate the pre-eminence of the United States as a supplier.

Reasons for the relative non-development of a domestic electric industry include the lack of skilled labour around which to organize branch plant operations, the highly technical nature of these operations, the fact that sub-assembly parts cannot be obtained from local sources, and the ease of obtaining all types of electrical products from abroad at competitive prices. The slow development of primary electric power production, mainly because of inadequate domestic financial resources,

and the relatively limited market for household appliances because of the low purchasing power of a large percentage of the population have also been important factors.

Relieving Power Shortages

The supply of electric power has not kept pace with the growing economy and particularly with the expansion of secondary industry. This is true of the rural areas as well as of the bustling industrial centres. The National Government has tried to come to grips with the problem and has formulated a series of plans to provide a working solution. One of the steps taken was the setting-up of the National Institute of Water Utilization and Electrical Development (Instituto de Aprovechamiento de Aguas y Fomento Electrico), to co-ordinate the work of municipal, departmental and national governments in financing the construction of several large power projects. Another national body, the Instituto de Fomento Municipal, was formed to carry out similar work, usually in conjunction with municipal authorities and on smaller individual projects. Some private firms have constructed plants to supply electric power but financial returns are generally too low to encourage further expansion in this way, even though the Government wants to see private capital directed to this vital operation.

According to 1950 United Nations' figures, electric power output for Colombia, compared with certain other nations, was:

	Total Generation kw.	Per Capita kwh. (approximate)
Canada	50,902 million	3,900
Colombia	705 "	64
Chile	3,000 "	500
Mexico	4,423 "	200

Total Colombian generating capacity was officially estimated at 376 thousand kw. in 1952, of which 326 thousand kw. were installed in public service plants and 50,000 in private industrial plants.

Plans under discussion or finalized foresee the addition of approximately 400 thousand kw. capacity, including a number of large plants to serve the industrial cities and small diesel, hydro, and thermal units to meet the needs of the countryside. Many of these small units are being constructed under the auspices of the Instituto de Fomento Municipal.

It is obvious that there is scope for Canadian supplies and engineering firms to participate in the building of power plants in Colombia. Interested firms should get in touch with the two semi-official bodies mentioned earlier and with private firms such as the Compañia Colombiana de Electricidad (U.S. interests), servicing cities and towns on both the Atlantic and Pacific Coasts and part of the Magdalena Valley. Other potential purchasers are the municipally-owned power companies in Bogotá, Medellín and Cali—the Empresas Municipales de Energía Eléctrica de Bogotá, the Empresa de Energía Eléctrica de Medellín and the Empresa de Energía Eléctrica de Cali.

Household Appliances

With the growth of electric power facilities, the expansion of the urban population and the spreading of purchasing power to the masses, the demand for electric household appliances has climbed year by year. The market is currently well served through outlets of leading U.S. and European firms and competition is brisk. The well-to-do group demands

the most modern equipment, preferring, for example, automatic clothes washers to the standard electric type. The lower income groups find appliances like this beyond their reach, but buy cheap radios, hot plates and electric irons readily. In the cities of the tropical and sub-tropical belts, there is an increasing demand for air-conditioning and allied types of equipment.

The following table sets out imports into Colombia of various types of electrical equipment:

Imports into Colombia

(in U.S. dollars)

Article		From U.S.	From Other Countries
Heavy equipment (electrical)	1951	2,823,610	1,789,150
	1952	4,575,006	2,660,000
Refrigerators, ranges, washing machines	1951	3,177,000	1,250,000
	1952	3,880,756	447,000
Radio receivers and tubes	1951	874,923	263,103
	1952	1,223,072	431,000
Radio transmitters and accessories	1951	320,000	9,500
	1952	1,000,000	10,000
Small household appliances	1951	595,000	227,000
	1952	725,000	230,000
X-ray equipment	1951	475,000	40,000
	1952	510,000	50,000
Miscellaneous	(Installation materials, wire and cable, lamp bulbs, etc.) This group amounts to several million each year and is divided approximately equally between the U.S. and other countries.		

—*J.E.L.*

Industrial Chemicals

- *Many basic chemicals now produced in Colombia.*
- *Foreign firms still supply a wide range of chemicals.*
- *Some insecticides and allied lines imported.*

COLOMBIA has made significant strides during the last few years in building up local production to meet its basic chemicals needs. Enough sulphuric acid is now produced to more than meet home demand. In addition, an up-to-date plant at Betania, using the tremendous salt deposits at Zipaquirá, north of Bogotá, is turning out large quantities of caustic soda, chlorine, soda ash, etc. Although private capital has been attracted to the chemical field, frequently government financing and encouragement, either directly or through the Industrial Development Institute, has been the main factor in building modern plants and initiating production.

An ever-increasing list of chemicals and chemical products is being turned out by local industry to meet domestic demand. Some of the more important are:

Sulphur—A firm located near Cali and using modern mining and plant equipment is turning out enough sulphur to meet national requirements. However, high-grade refined sulphur is still imported.

78628—3½

Sulphuric Acid—Two plants turn out this basic industrial chemical in sufficient quantity to more than meet local needs. The Industrial Development Institute has pushed one of these developments.

Carbon Disulphide—It is also produced by one of these firms.

Alkalis—A firm in Bogotá, and the government-owned plant at Betania, are responsible for the country's output of chlorine, caustic soda, ferric chloride and soda ash. The Betania plant should be able to meet all requirements for soda ash plus a large percentage of domestic caustic soda needs.

Glycerin—Although this is often a by-product of soap manufacture, two or three plants specializing in glycerin production are projected or under construction. However, pure-grade glycerin is still imported, largely for the pharmaceutical industry.

Small quantities of acetic acid, methanol, acetone and wood tar are produced, and a limited amount of organic chemicals. When the coke plant of the Paz de Rio steel company commences operations some time in 1954, the list of products should lengthen.

Imports Still Needed

In spite of these developments, Colombia continues to rely heavily on outside suppliers for a wide range of chemicals. As population and secondary industry grow, this dependence on outside sources for a sizable number of chemical items should continue. Although in some lines local production is sufficient to meet the demands of Colombian industry, for technical reasons domestic producers still look to the international market. The rayon, rubber tire and pharmaceutical industries are cases in point. A study of the market demand in Colombia demonstrates that, if Canadian chemical firms' products are competitive with those of Europe and the United States, they should find a ready market in Colombia.

Insecticides, Fungicides, Pesticides

There is some local production of these items, using raw materials from domestic sources—such as sulphur dust, rotenone powder, pyrethrum and petroleum products, as well as sulphur derivatives. Nevertheless imports of insecticides and allied lines such as D.D.T. and B.H.C., to combat malaria and to act as pest controls particularly in the tropical and sub-tropical areas, remain substantial. Copper sulphate is imported from Canada as well as other countries to control diseases native to the banana zones.

—J.E.L.

Colombia has been mining emeralds for centuries and still remains the most important source of the deep green stones. Today the Banco de la Republica works the two mines—at Muzo and Coscuez, both in the Department of Boyaca—in the national interest. The mines produce both the emerald proper and the "morralla" or "small fry", but no figures on output are published.

Leather and Leather Products

- *Calfskins, other lightweight leathers imported.*
- *Leather transmission belting, hat bands, in demand.*
- *Imports of leather footwear still prohibited.*

ABOUT ONE-QUARTER of the land area of Colombia is grazing land and cattle have been a major source of income since early colonial times. Hides have long been an important export. However, the growing requirements of the domestic tanning industry have steadily reduced the volume of hides for export and in certain cases there is a ready market for the imported article.

The local tanning industry processes cattle, sheep, goat and calf skins, as well as small quantities of horse, pig, deer and reptile skins, and thus absorbs almost 75 per cent of the hide and skin production of the country. It produces the basic material for footwear, saddlery, belting, bags, harness and furniture and turns out most of the types of leather in demand, including chrome-tanned upper side leather, glacé kid and chrome-tanned sheepskins.

Certain Types Imported

The Colombian leather industry has continued to rely on foreign suppliers for soft, lightweight leathers, particularly calfskins. However, consumption of imported box calf during the last two years has tended to decline in favour of domestic leathers. Government restrictions and certain other factors, including market demand, have played their part in this development. Nevertheless, there continues to be a market for the high-grade imported skins.

Imports of calfskins and other lightweight leathers during recent years have been as follows:

	Calfskin	Other lightweight leather
	(in square feet)	
1948	307,949	226,104
1949	283,178	281,474
1950	306,389	899,318

The relatively heavy imports in 1950 may be attributed to relaxed government restrictions at that time.

Although Colombia must import most of the chemicals required for the tanning industry, with the exception of sulphuric acid, all the vegetable tanning extracts except quebracho are produced locally.

Footwear Imports Prohibited

The most important of the leather industries is the making of shoes. To protect the local industry and the producers of most other leather products, the Colombian Government prohibits the entry of competitive foreign goods. The production of footwear is generally carried on in small shops and over 80 per cent of the country's output is produced on

—Standard Oil Co. (N.J.)

Stock leaving the cattle dip on a typical Colombian hacienda near Buga. Cattle-raising has been carried on since colonial times and hides were once an important export. Today, the domestic market absorbs them.

a handicraft basis. However, there are a handful of large firms producing more than 100 thousand pairs of shoes a year. These are found in the larger centres, such as Bogotá, Medellín, Manizalas and Cali. Production in 1950 was over three million pairs.

Consumption of leather footwear is limited by the low purchasing power of the mass of the people, a large percentage of whom go barefoot. However, with the rise of urban population and the steady increase in standards of living, the demand for leather footwear should grow steadily. In the rural areas, sandals made with canvas uppers and a locally-produced hemp-like material known as fique for the sole are worn. Recently, locally produced tennis shoes of canvas and rubber have become popular with the expansion of the domestic rubber industry, especially in the Cali area.

In most other leather products, with the exception of transmission belting and leather for hat bands, local production is sufficient to meet the demand. However, should the Government revise its prohibited list downward to any extent, a small market might spring up for better quality pocket books, purses, cigarette cases, gloves, etc.

—*J.E.L.*

Aviation in Colombia has played an important part in overcoming isolation and physical barriers, as it did in the Canadian North. Colombia claims to be the first country in the Americas to establish a regular air service, back in 1919. Today, the country boasts an extensive airways network, with nine private companies operating in 1951. Five of these carried 97 per cent of the total passengers and freight.

Newsprint and Paper

- *All newsprint imported; Canada is major supplier.*
- *Boxboard and kraft needed for carton and bag making.*

FROM IMPORT STATISTICS it would appear that approximately three out of every five newspapers in Colombia are printed on Canadian newsprint. The four leading cities together publish about a dozen dailies and all the lesser cities have at least one. Colombians pride themselves on their culture and both dailies and periodicals have an avid and critical public. There are no newsprint mills in Colombia nor do any seem likely in the near future. All newsprint is imported and Canada has for many years been a major supplier.

The following table gives a more specific picture of newsprint consumption:

	Total Imports		Imports from Canada	
Years	Long Tons	U.S. Dollars	Long Tons	Canadian Dollars
1951	14,307	2,263,000	11,090	1,539,000
1952	16,868	3,018,000	11,156	1,606,000

Kraft Paper and Boxboard

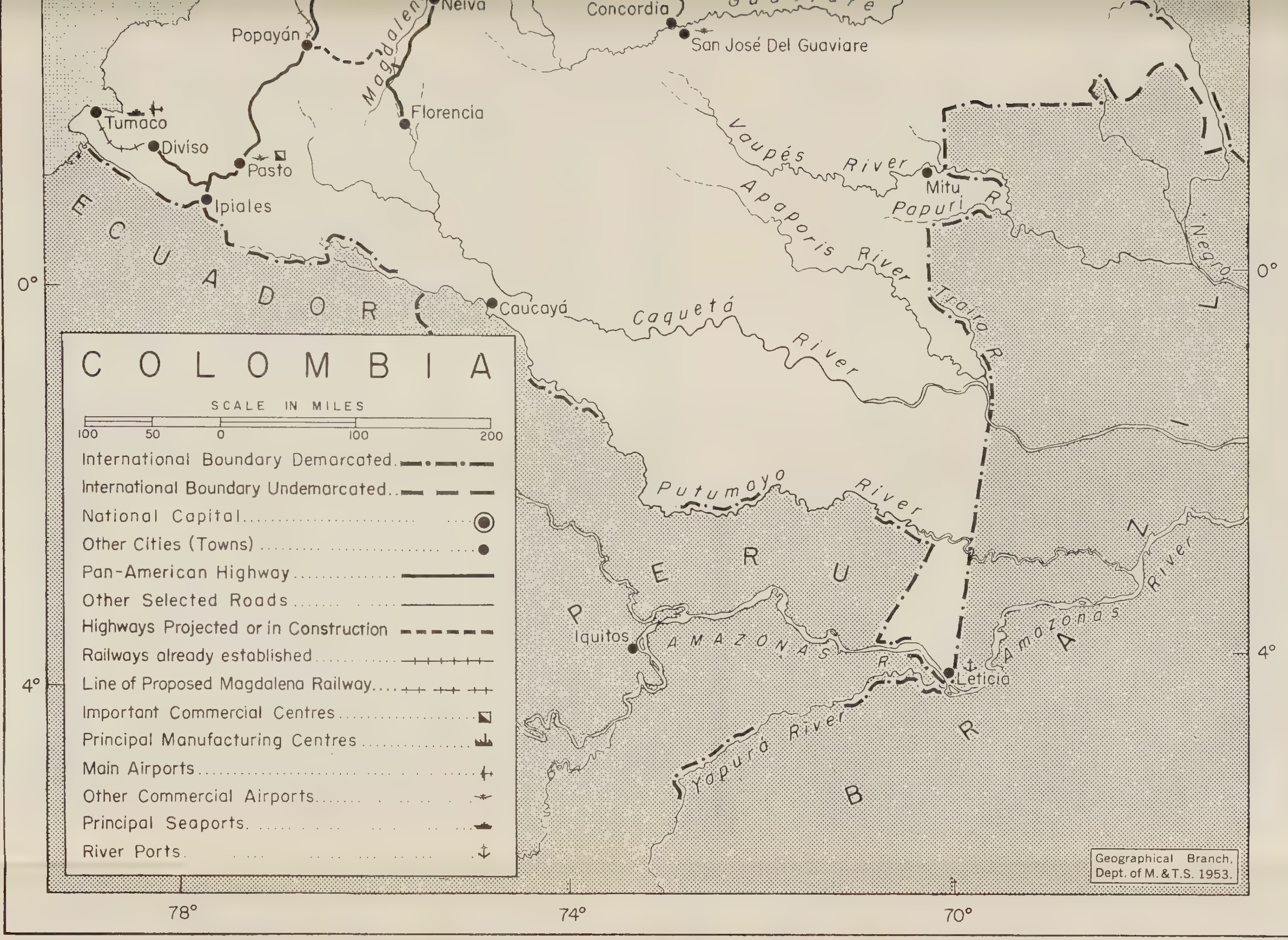
Colombia's only kraft paper mill is situated near Cali and has a capacity of 40 tons a day, although its present production is considerably smaller. It is owned by Carton de Colombia S.A., who also make boxboard and carry on the manufacture of heavy paper bags and cartons. According to the trade, the production costs of its kraft paper are high. Another firm, Cía Colombiana de Empaques "Bates", in Palmira, is able to import kraft and make cement and sugar bags at competitive prices. Several smaller factories produce ordinary grocery bags from imported kraft and because foreign-made paper bags of all kinds are on the prohibited import list, the local manufacturers face only domestic competition.

Carton de Colombia sells a small part of its boxboard production to independent converters but uses the major portion to make cartons in its own plant. However, its carton output falls far short of national demand and the deficiency is made up by several converters who import what boxboard they require. Their combined carton production is reported to be greater than that of Carton de Colombia S.A. Foreign-made cartons cannot be imported.

Canada supplies a good part of the pulp (1,150 tons in the first half of 1953) used by Carton de Colombia in its milling operations, but the heavy kraft paper for cement and sugar bags and the boxboard come principally from Scandinavia and the United States. However, Canadian exports of kraft wrapping paper suitable for making the lighter grocery bags are increasing; rose from 700 tons in 1951 to 1,850 tons in 1952.

Except for kraft, Colombia produces no paper and must import all of it. The market is a difficult one and Canadian brands meet stiff competition from the United States, Sweden and Finland. Compensation trade agreements amounting to $7 million are in effect with Sweden and Finland and these involve the balancing of exports of Colombian coffee against imports of paper and other products. In fact, the National Association of Coffee Growers has large quantities of Finnish fine paper on


78°
74°
70°
12°
8°
4°
CARIBBEAN SEA
PACIFIC OCEAN
PANAMA
VENEZUELA
CARACAS
Santa Marta
Barranquilla
Ciénaga
Fundación
Cartagena
Calamar
Valledupar
MAGDALENA RIVER
Sincelejo
Encontrados
Portuguesa River
Turbo
Sinu River
Gamarra
Ocaña
Táchira
Cucuta
Apure River
Cauca River
Puerto Wilches
Pamplona
Barranca
Bucaramanga
Atracto R.
Puerto Berrio
Málaga
Anza
Medellin
Orinoco R.
Puerto Paez
Barbosa
Paz de Rio
Puerto Carreño
Sagamaso
River
La Dorada
Tunja
Honda
Manizales
Pereira
Orocué
Cartago
Armenia
BOGOTÁ
Meta
Ibagué
Atabapo R.
Buga
Girardot
Buerto López
Villavicencio
Buenaventura



COLOMBIA
SCALE IN MILES
100 50 0 100 200
International Boundary Demarcated
International Boundary Undemarcated
National Capital
Other Cities (Towns)
Pan-American Highway
Other Selected Roads
Highways Projected or in Construction
Railways already established
Line of Proposed Magdalena Railway
Important Commercial Centres
Principal Manufacturing Centres
Main Airports
Other Commercial Airports
Principal Seaports
River Ports
Neiva
Concordia
San José Del Guaviare
Popayán
Magdalena
Florencia
Tumaco
Díviso
Pasto
Ipiales
ECUADOR
Caucayá
Caquetá River
Vaupés River
Mitu
Papuri R
Apaporis River
Traira R
Negro
Putumayo River
PERU
Iquitos
AMAZONAS R
Leticia
Amazonas River
Yapurá River
BRAZIL
0°
4°
78°
74°
70°
Geographical Branch,
Dept. of M.&T.S. 1953.

G.B.P. 53-40

hand on which it is offering attractive terms. None the less, Canadian mills are making good progress in meeting the competition and their Colombian sales of fine paper jumped from 2,750 to 10,950 tons between 1951 and 1952. However, fine paper imports were abnormally large in the second half of 1952 because of the attractive prices at the time. Consequently, there are still heavy stocks on hand, especially in the Bogotá region, and Canadian exports declined noticeably in the first half of 1953 —1,630 tons compared with 4,085 tons July-December 1952.

In the toilet and tissue trade, Canada has made a poor showing against American brands which dominate the market. Canadian shipments in 1952 totalled only three tons compared with American sales of 436 tons valued at $137,897. This is one area where a more determined effort might well show results. From 1951 to 1952, Canadian wallpaper dropped sharply from 462,973 to 103,561 rolls, but 1951 was an abnormal year and the 1952 figures better represent the yearly trade. Over 700 tons of cigarette papers (app. $450 thousand U.S.) were imported in 1952, principally from the United States, but Canada did not participate in any of this business. No envelopes are imported because they are on the prohibited list. A number of Colombian firms produce them and local competition is keen.

—W.J.M.

Pharmaceuticals, Soap

- *Locally-made pharmaceuticals limited to simpler lines.*
- *Certain specialized products are permitted entry.*

COLOMBIA has a sizable and expanding pharmaceutical industry. A large number of laboratories turn out pharmaceutical and medicinal preparations and the cities frequently contain large and well-known establishments. A Canadian subsidiary is located in Bogotá, although Cali, situated near the port of Buenaventura and on international as well as domestic airline routes, is favoured as a centre for production and distribution. Some large United States and European houses have licensed local firms to turn out their lines; others have establishments in the country or are engaged in building plants here.

Generally speaking, local production is still limited to the relatively simpler lines requiring less technical know-how and control. However, all types of tablets, liquids and mixtures are turned out in quantity. The local market's needs for a wide range of pharmaceutical products, including toilet articles and cosmetics, can be met from domestic output. Tariff protection has effectively stimulated this development and even in lines not yet produced in the country, it frequently pays to consider packaging the article here in Colombia.

A large government-controlled firm turns out animal remedies such as anthrax and blackleg vaccines. Serums and vaccines are also produced by a number of private laboratories and the substantial output of animal dips meets local needs.

In spite of the heavy import duties on many lines of pharmaceuticals, the Colombian tariff relents in the case of imports of raw materials

required for the domestic industry or certain specialized lines of drugs and other pharmaceutical products not yet produced in Colombia. Antibiotics and steroid hormones are examples of the latter. However, before an article can be imported or even produced in Colombia a relatively costly and complicated registration procedure must be followed for each product to be marketed. For further details, exporters should get in touch with the Commercial Section of the Canadian Embassy in Bogotá.

Soap Making

Although soap is not strictly a pharmaceutical, soap-making is one of the oldest of the manufacturing industries in Colombia. Output has risen substantially and several modern plants have been built.

Laundry soap, derived principally from beef tallow, constitutes over 90 per cent of the output and some toilet soap is also produced. Soap for the textile industry, special granulated soaps and other types are turned out. Liquid detergents are produced in small quantities.

The soap industry, although it is designed to cater to local requirements, is forced to draw on foreign supplies for much of its materials. Between 3,000 and 4,000 tons of beef tallow are imported each year, plus 7,000 tons of rosin. Coconut oil is brought in principally from the United States, and caustic soda comes from the government alkali plant at Betania. Essences and certain essential oils generally are bought outside the country.

—*J.E.L.*

Steel Mill, Railway Equipment

- *Wide range of equipment needed for new steel mill.*
- *Railroad project opens up sales possibilities.*

THE TWO LARGEST ENGINEERING PROJECTS in progress in Colombia are the Paz de Rio steel mill and the Magdalena Valley Railway. The former, located at Belencito, five hours by road from Bogotá, can draw on substantial deposits of coal, limestone and iron nearby and expects to begin operations early in 1954.

Approximately 400 French steel experts and skilled labourers are assisting in the building and many of them will stay on for some years after the mill goes into production. French banks supplied long-term credits of $28 million and this is being used to buy the smelting ovens and other heavy equipment in France. The remainder of the money is being raised in Colombia and final costs may reach $100 million. Orders for a large portion of the lighter equipment and supplies are now being placed in the United States and the address of the purchasing office is:

Empresa Siderurgica Nacional de Paz de Rio,
1900 East 24th Street,
Cleveland 1, Ohio.

The range of items required is too exhaustive to list here. It includes everything necessary to complete and maintain a steel mill, provide administrative and office quarters, carpenter and machine shops, an

electrical supply system, and housing and messing for at least 2,500 workers. Mining equipment, railway dump cars and spare parts, tools, dies, ferro-alloys, electrodes, galvanizing zinc and refractories are just a few of the products in active and continuing demand. When the mill goes into production, it should spark a number of secondary industries, which will need many types of machine tools. Some of these Canada might supply.

The Paz de Rio company would be glad to buy Canadian products provided that prices and deliveries are competitive. Any manufacturers interested should direct their offers to Dr. Vicente Suarez Hoyos or Mr. Albert Moller in the Cleveland offices.

Construction of the Magdalena Valley Railroad was begun in the fall of 1952, following receipt of a $25 million loan from the International Bank for Reconstruction and Development. Colombia's share of the project, which will probably amount to from $15 million to $25 million, is being supplied through the Federal Department of Public Works.

The construction contracts are in the hands of U.S. and Colombian engineering firms but orders for materials have been placed where prices and deliveries are most attractive. For instance, the tender for rails was awarded to a Belgian manufacturer, the tie plates to Germany, and switches and spikes to the United States. The ties are being supplied domestically. So far, the bridge contracts have not been let.

The railway, when completed, (1956 is the target) will bring the end of steel 240 miles nearer the mouth of the Magdalena River and Caribbean.

—*W.J.M.*

Photograph shows the Paz de Rio steel mill which is expected to be in production early next year. Much of the capital and equipment for the mill came from France; some lighter equipment has still to be bought.

Rubber Products

- *Local industry now supplies most domestic needs.*
- *Certain sizes of bus and truck tires imported.*

WITH THE ASSISTANCE OF FOREIGN CAPITAL, principally from the United States, the Colombian rubber goods industry has grown appreciably, particularly in the postwar years, and now supplies most domestic requirements. As local production has expanded, the National Government has frequently protected the domestic industry by increasing tariffs or by adding specific items to the Prohibited List. However, the tariff structure on rubber goods is "spotty"; certain articles bear heavy duties and others only nominal ones. Recently the Colombian authorities have shown no undue interest in extending the Prohibited List to cover a wider range of goods. As a result, there is scope for imports.

Local Production

Domestic output is largely concentrated in a few firms located in the larger centres. Chief lines turned out are automobile tires and tubes, rubber footwear, heels, rubberized cloth, etc. Two firms make tires for motor vehicles, both of them subsidiaries of U.S. companies. One is currently proceeding with plans to double its capacity. Most types of tires used in Colombia are produced here, although special sizes of bus and truck tires have to be imported. And, though motor vehicle registrations in the Republic have climbed to an estimated high of 90,000, imports of tires and allied lines have lost ground.

Rubber footwear is another important item, with output estimated at well over three million pairs a year. A large percentage of this business is done by a firm in Cali backed by United States and Swiss interests.

The largest part of this market is protected by a prohibition on imports of practically all types of rubber footwear except "zapatones", or rubbers for rainwear. There are no statistics on local output or market requirements for this item. However, the largest Colombian rubber footwear firm has ceased production of this line and has made arrangements with a U.S. supplier to fill any demand.

There is a sizable domestic output of certain other rubber articles. A Bogotá company is turning out large quantities of rubber heels and rubberized cloth. Another firm is just entering the more technical industrial goods field and firms in Cali and Bogotá lead in the production of camelback and packings. Rubber floor tiles are also turned out.

Rubber goods production is somewhat hampered by government regulations which require local companies to use certain quotas of domestically produced rubber, even though the Colombian product is more expensive. Heavy duties are levied on imported rubber. Because the rubber goods industry has to obtain about nine-tenths of its supplies from abroad, this policy has proved a burden. The tire section is particularly hard hit because it is the largest user of imported rubber.

In spite of much greater local production, the Colombian market still relies on imports to meet needs in certain categories. Surgical supplies of practically every type are a case in point, with sizable imports from Europe and the United States. Many industrial lines, including rubber

belting and hose, have to be brought in and considerable quantities of bus and truck tires and tubes. Canada in 1952 supplied rubber goods valued at $232,161. Of this amount, $183,825 worth consisted of motor vehicle tires and tubes. Rubber belting and hose were other significant items. The import of Canadian rubber footwear has been adversely affected by Colombian Government import regulations.

—*J.E.L.*

Textiles, Textile Equipment

- *Imports being reduced as local industry grows.*
- *Specialized lines, high-quality goods still imported.*

TEXTILE PRODUCTION is the most highly developed of the Colombian manufacturing industries. The spectacular rise in production over the last few years, coupled with government import restrictions, has permitted Colombia to achieve relative self-sufficiency in many basic textile lines. Although there are numerous producers, the greatest volume of output is shared by a handful of firms which in turn dominate their respective branches of the industry. Productivity in these large mills, particularly in the cotton industry, compares favourably with that of North America.

This praiseworthy growth has been achieved with government assistance and support. At the time of the establishment of the list of prohibited imports (March 1951), the domestic textile industry was substantially protected against foreign competition. During 1952 additions were made to the list which block off the import of virtually all textile products, with some modest exceptions.

Range and Trend of Production

The output of textiles in Colombia includes cotton, woollen, rayon, nylon and hard-fibre goods. Of recent years, the production of cotton and woollen textiles has tended to level off and the manufacture of synthetic-fibre textiles in general to increase rapidly. Another trend is the shift from the more primary manufactures, such as unbleached cotton cloth, to more advanced types such as bleached and dyed cloth.

The cotton textile industry is centred in Medellín, although there is sizable production from firms in Bogotá, Barranquilla and Manizales. These mills produce a wide range of fabrics—including duck, sheeting, drills, gabardines, twills, sateens, denim, towelling, knit underwear, jersey, hosiery, shirting and covert. The larger firms are equipped to do high-quality fabric printing and dyeing.

One plant in Barranquilla and one in Medellín produce viscose yarns, and one in Cali turns out acetate yarn. There are also numerous firms turning out rayon piece goods, though the quality is not high. One of the principal reasons for this lack of quality is government insistence on the use of domestic viscose and the prohibition of foreign imports. Efforts, however, are being directed to raising domestic standards of production.

Nylon manufacture is concentrated in Medellín. This industry depends entirely on imported yarn, consumption of which amounted to 70,000 pounds in 1950. Expansion is evident in this section of the industry and the quality is good.

Another important branch of the industry is the production of woollen textiles. Domestic production provides carded wool yarn and most types of woollen fabrics (including fine suitings) in sufficient quantities to meet home demand. One plant is fitted to produce wool tops from domestic wool. Medellín, Bogotá and Barranquilla are the producing centres.

Other textile manufactures include hard-fibre products processed from domestic fique, a plant from which a hemp-like material is obtained. The production of sacks for the coffee industry and material for shoes for the rural population is important. Much of the output is obtained from household, handicraft producers.

Outlook for Imports

The expansion of the domestic textile industry has, with government restrictions, progressively reduced imports. In the production of most types of cotton and woollen fabrics, rayon textiles and hard-fibred bagging, the domestic industry is able to fill Colombian requirements.

In spite of recent progress towards self-sufficiency, however, there are continuing imports of certain specialized items. These imported lines include poplin for shirting, cotton tire cord fabric, cotton duck, woollen worsted yarn, specialized wool fabrics, nylon yarn, manila twine and rope.

Besides these commodities, imports of specific raw materials are needed to keep the industry going. Raw cotton is a case in point. Although cotton is native to Colombia and has been grown for domestic use and export for centuries, the 1950-51 crop, for example, did not meet 30 per cent of the industry's requirements of 123 thousand bales. The United States supplied most of the remainder. Experts believe, however, that such areas as the Atlantic Coastal Belt, the Sinú Valley and the area around the upper reaches of the Magdalena River could produce excellent-quality cotton in sufficient quantity to meet local demand. The acreage planted to cotton has, in fact, increased substantially and production has risen. Unfortunately, a large percentage of the domestic crop is of the short-fibred variety and to dispose of it the Government has required the domestic textile industry, through a recently issued decree, to absorb larger quotas of the home-grown product.

Other imports include certain chemicals required by the industry and machinery and spare parts. Canada supplies small quantities of bobbins and spools and odd pieces of textile machinery equipment.

An allied industry is clothing manufacture which has grown rapidly during the past few years. Increasingly, the industry has become a large-scale mechanized one, although local dressmakers and tailors maintain a brisk business. Production of all types of underwear and outerwear from cotton, wool and rayon meets local requirements. The industry is protected by a prohibition on imports in effect since March, 1951. There is still a demand, however, for high quality foreign products though, in view of the import ban and the increasing capacity and efficiency of the domestic industry, the outlook for foreign suppliers is not promising.

—*J.E.L.*

What the Exporter Should Know

. . . Some points about sales practices and promotion methods that will help potential exporters in winning a place in this market.

EVERY COUNTRY has its peculiar tastes and its own ways of doing business. This holds true of Colombia and Canadian exporters will find the going smoother if they learn something of the Colombian techniques. Here are a few pointers for the businessman.

● *Appointment of Agents Essential*—Foreign firms in Colombia do the bulk of their business through agents rather than by direct contact between seller and buyer. In general, commissions paid to an agent are more than offset by the greater volume of business this on-the-spot representation brings in. Because the country is divided into four economic areas, the appointing of separate agents in Bogotá, Cali, Medellín and Barranquilla usually yields the best results.

● *Competition in Prices and Credit Terms*—Colombia is one of the world's most price-conscious, competitive markets. Canadian goods come up against merchandise from many countries and generally the lowest bidder gets the business. Quality definitely comes second and Canadian exporters might well consider this area as an outlet for "seconds". Next to low price, attractive credit terms determine who obtains the orders. Interest rates run as high as 2 per cent per month and if the exporter can help the buyer by extending up to 60 or 90 days sight draft terms, he definitely has a selling point. If Canadian exporters who want to enter this market insist on letters of credit, this in most cases eliminates any possibility of securing orders. Colombia has a good payments record and Canadian exporters, when they are deciding on terms, should consider each customer separately on the basis of the agent's recommendations and reports on financial status.

● *Literature in Spanish*—Many Colombians do read English, but the majority do not. Most Canadian products attempting to gain a foothold here are handicapped if sales literature and information on the packages are not in Spanish. This is one important factor to which both European and American manufacturers and export houses pay more attention than Canadians do.

● *Visiting the Market*—Designs and specifications for many types of merchandise in Colombia vary greatly from those in Canada and exporters must appreciate the differences in tastes and the market peculiarities. They cannot obtain this knowledge by sitting behind a desk in Montreal, Toronto or Vancouver. For an intimate understanding of the agent and his problems, the Canadian company should send a responsible representative to South America periodically, just as its salesmen visit the trade in Canada. All Trade Commissioner Offices are well equipped to assist

Canadian businessmen new to the area with both translation facilities and good contacts. Certainly nothing pleases a Colombian, agent or customer, as much as a visit from a Canadian businessman.

- *Airmail Essential*—Surface mail usually takes four to six weeks compared to five days for airmail, and it is advisable to send correspondence, catalogues and samples by airmail.

- *Quotations in U.S. Dollars f.o.b. Canadian Port*—All trade between Canada and Colombia is conducted in U.S. currency and Canadian dollars are not available here. Canadian firms should therefore submit quotations in U.S. dollars if possible, or should stipulate that, though quotations are in Canadian dollars, they will accept payment in equivalent U.S. funds. Colombian law requires that freight and insurance be paid in pesos. This means that quotations should be f.o.b. Canadian port of shipment.

—*W.J.M.*

Doing Business with the Government

A sizable percentage of all imports into Colombia are for government account; sales are frequently made through the government agencies which are described below.

CANADIAN BUSINESSMEN who want to sell in the Colombian market should realize that an estimated one-third of all imports into Colombia are for government account. These imports include a wide range of commodities and reveal not only the importance of the Government as a buyer but the extent to which Colombian authorities have interested themselves in and even invaded the business field.

Actually, over the years, government interest in economic activities has been less far-reaching in Colombia than in most Latin American countries. However, government participation in economic affairs has been growing during the last two decades. For example, it has financed and set up and is managing industrial plants, besides providing internal transportation and communication services. It also runs a high seas cargo fleet, has oil interests, and maintains a monopoly over the production and sale of certain important minerals.

The increasing scope of the Government's economic interests has led to the setting-up of a number of official and semi-official bodies to carry out various phases of its economic program. These agencies, which cover such diverse fields as agriculture, electric power development, expansion of municipal services and industry, frequently wield great influence. The Government relies on their counsel in the formation of national economic policy. Several of these bodies are empowered to place orders and import and distribute goods on their own account. They are thus of direct interest to Canadian exporters. Here is a brief review of the names and activities of some of the more important agencies.

• *Consejo Nacional de Planification (National Planning Council)*—This Council consists of a number of economic experts responsible for working out an overall economic program. It is constituted directly under the President of the Republic and continues the work of the Committee for Economic Development. (This Committee was formed after the publication of the 1948 Economic Report of the International Bank for Reconstruction and Development, to follow up and carry out the recommendations.)

• *Ministerio de Obras Publicas (Public Works Department)*—a department of the National Government, under the direction of a Minister. Like the Department of Public Works in Canada, it carries out numerous important projects, including work on harbours, railways, roads, bridges, electrical plants, etc. It places direct contracts. There are similar divisions in the Departmental and Municipal Governments.

• *Banco de la Republica (Bank of the Republic)*—This is the Central Bank of Colombia, founded in 1923, and is a semi-official body with the Minister of Finance sitting on the Board. The Bank is charged with administering and exploiting the salt resources of the Republic, both maritime and mine, and running the soda ash plant at Betania. It also finances the development of certain industrial projects.

• *Instituto de Fomento Industrial (Industrial Development Institute)*—This Institute is a national body, constituted by an Act of the National Congress in 1940. It undertakes both research and business promotion to advance local industry. It is permitted to invest up to 51 per cent of its capital in new and existing businesses technically important to the development of Colombia. The Institute has assisted particularly industries using domestic raw materials and has helped to create several new businesses. It has the right to approve and make contracts.

• *Caja de Credito Agrario Industrial y Minero (Agricultural Bank)*—This limited liability company, founded in 1931, has as its principal shareholder the National Government and functions as a semi-official agency. It makes loans for agriculture, cattle-raising, mining and industry; places orders and imports for its own account free of duty; distributes and sells goods through its branches maintained throughout the Republic.

• *Instituto Nacional de Aprovechamiento de Aguas y Fomento Electrice (National Institute of Water Utilization and Electrical Development)*—This semi-official body was created in 1946 to study the problem of water utilization for power and irrigation. It finances the construction of some of the larger power projects, sometimes in conjunction with private capital. It must approve contracts for works under its jurisdiction.

• *Corporacion de Defensa de Productos Agricolas*—This organization, formerly known as INA, was formed for the dual purpose, as its name suggests, of fostering production of more and better crops and of regulating prices. It is primarily interested in wheat, corn, beans, rice and potatoes. It has built storage facilities in various parts of the Republic to cut down crop losses and to prevent widespread price fluctuations. It

works toward securing the best prices for the commodities under its control and frequently attempts to have the import of competing items controlled. Recently this agency placed orders outside the country for silos and other storage facilities.

- *Instituto de Colonizacion e Immigracion*—This body is an outgrowth of the older Institute of Land Settlement and Reforestation. It was created to undertake, finance and encourage the settlement of communal virgin lands. Capitalized at ten million pesos, the Institute operates free of taxation and has the power to contract internal and external loans to be guaranteed by the National Government. It is empowered to send missions abroad to select immigrants. This body has a large budget for direct purchase of many items, ranging from prefabricated houses to farm implements.

- *Federacion Nacional de Cafeteros de Colombia (National Federation of Coffee Growers)*—This is an association of coffee producers and shippers, working in close co-operation with, and with the support of, the National Government. It may be considered a semi-official body.

The Federation does a great deal of financing for its members and its functions include the improvement of methods of cultivating coffee, bettering working conditions in the industry, and warehousing. It is responsible for exporting and selling the coffee crop, Colombia's chief earner of foreign exchange. It carries great weight with the Government.

- *Asociacion Nacional de Industriales (National Manufacturers' Association)*—A powerful organization for presenting the Colombian manufacturers' point of view to the Government, ANDI has its headquarters in Medellín and branches in other leading cities. Its activities include the gathering of statistical information and the providing of workers' training courses. Because its members are industrialists with plants in a country in the early stages of industrialization, its views on tariffs and other matters are frequently protectionist.

- *Federacion Nacional de Comerciantes (Association of Colombian Merchants)*—FENALCO has a membership of many thousands of merchants doing business in Bogotá and throughout the Republic. Its headquarters are in the capital and it has branch offices in leading provincial cities. The association concerns itself with studying and finding solutions of the many economic problems which beset the average merchant. It has investigated customs procedures, goods on the prohibited import list, etc. The Association generally supports a moderately free trade and tariff policy.

- *Instituto de Credito Territorial*—An organization to finance the construction of workers' and agriculturalists' dwellings, it is empowered to purchase all types of construction materials, including prefabricated items.

- *Consejo Administrativo de los Ferroscarriles Nacionales (National Railway Administration)*—This agency runs practically all the railways of the Republic, with the exception of the Antioquia Railway which is run by the Departmental Government of Antioquia. To it go all orders for railway requirements.

• *Comisariatos dèl Ejercito*—Although they are not strictly government agencies, these co-operative associations have the right to import a wide range of commodities, including foodstuffs, household goods, electrical appliances, and many other items for the domestic needs of the families of members of the armed forces. They can purchase articles abroad and import them free of duty and can also bypass the prohibited list.

—*J.E.L.*

Geography Plays a Part

Three ranges of the Andes and two great river valleys divide Colombia into four economic regions, with differing climate, tastes, and market requirements.

GEOGRAPHY HAS PLAYED a significant part in the life of the Colombian people and in their economic advance. Primarily because of geography, only the western third of the country is settled. This settled area is, in turn, cut up by three ranges of the Andes and the two intervening valleys of the Magdalena and Cauca Rivers and thus is subdivided into four loosely-defined economic areas. Because transportation and communication between these sections is difficult, strong local feelings have grown up, intensified by differences of climate and environment. As a result, market demand and tastes vary greatly in the four regions.

Each of these regions over the years has built up a cultural and commercial centre which serves as the focal point for the area. These centres are: Bogotá, dominating the Eastern Cordillera region; Medellín, the Central Cordillera departments of Antioquia, Cáldas and Choco; Cali, the Pacific and southwestern region, and Barranquilla, the Atlantic coastal belt. To understand the whole Colombian market an exporter must be familiar with the varying tastes and requirements of these four cities and the regions they dominate.

• *Bogotá—Eastern Cordillera Region*

Bogotá, with an outer-ring population of 750 thousand, is the capital city of the Republic and the leader in the commerce, finance, culture and government of the nation. It is also a manufacturing centre, producing a wide range of articles for the local market such as beer, foodstuffs, soap, fertilizer, plastics, pharmaceuticals, clothing, and so on. Bogotá is also the centre of an important printing industry. The city and suburbs constitute the biggest single market in Colombia and account for almost 25 per cent of the country's purchasing power.

The Bogotano is conservative in his dress, manners and methods of doing business, an attitude which suits the damp, cool climate of this plateau. The average yearly temperature in Bogotá is 57·6°F., with no extremes of heat or cold.

Transportation between this region and the other three poses many problems. Narrow-gauge railways and paved highways radiate for relatively short distances from the capital but there is no direct rail route nor paved highway connecting with either the port cities or the great business centres such as Cali and Medellín. Air travel is well organized but heavy goods reach Bogotá from the port of Barranquilla via the Magdalena River and narrow-gauge railroad or via trucking routes from Buenaventura—routes which cross the Western Cordillera and go through the Quindio Pass of the Central Cordillera from 11,000 to 14,000 feet above sea level.

- *Medellín—Central Cordillera Region*

Medellín, with 400 thousand inhabitants, is not only the second city of the Republic but also the leading industrial centre and a focal point for the mining industry. This city and economic region is one of the most progressive, with less illiteracy than in other sections. The Antioqueño, generally thrifty and prolific, is known for his business acumen.

The textile industry is all-important; Medellín has the leading cotton spinning and weaving mills, wool yarn and suit factories, and rayon weaving plants. The principal sulphuric acid and superphosphate plant in Colombia is located here; so is a bar and rod mill and several foundries and machine shops. Over a third of the electric generating capacity is installed in this region.

Medellín is linked with Bogotá by road and air and with Cali and the port of Buenaventura by gravel highways and a narrow-gauge railroad. The long haul from tidewater has hampered the growth of manufacturing and this has indirectly benefited Medellín's business rival, Cali.

—Standard Oil of N.J.

Three ranges of the Andes and two river valleys divide the country into four economic areas and make transport difficult. Above, the Bucaramanga-San Gil highway twists and turns as it climbs out of a canyon.

The city, however, has an excellent climate (annual average temperature 70·5°F.) and in Antioquia, the Department of which Medellín is the capital, and in neighbouring Cáldas, the major portion of Colombia's all-important coffee crop is raised.

- *Cali—Pacific Region*

Cali, commercial and industrial centre of southwestern Colombia, is situated in the heart of one of the world's most fertile valleys. With a warm, sub-tropical climate (average annual temperature 75·9°F.), good transport services and located near the leading port of Buenaventura, Cali is said to be the fastest growing city in Colombia, with a population of approximately 280 thousand.

A pleasant, friendly city, Cali has become the favoured spot for foreign branch plants and, with the expansion of electric power facilities, has grown into an important centre. Its products include pharmaceuticals, batteries, rubber shoes, cardboard and paper. It also has a celanese acetate plant.

The city has rail and road connections with Buenaventura, Medellín and other sizable cities in Western Colombia. Air services link it with all important points and it is also on international air routes to the United States and other parts of South America.

- *Barranquilla—Atlantic Coast Region*

Barranquilla, situated near the mouth of the Magdalena River, the great surface route to the interior, is the "front door" to Colombia and one of the leading ports. It maintains direct shipping connections with many parts of the world, including eastern Canada. River steamers link it with the interior and its Soledad airport is on domestic and international air routes.

The city, with an estimated population of 300 thousand, is a leading manufacturing centre. Its diverse industries include a brewery, a viscose yarn plant, cotton textile mills, a rayon weaving plant, shipyards, airplane repair shops and lumber mills, as well as factories turning out cement, rubber goods, roofing, shoes, soap, pharmaceuticals and cigarettes.

Barranquilla has a tropical climate with an annual average temperature of 82·8°F., although the trade winds blowing from December through April bring welcome relief. This region has a polyglot population including negros, Indians, Mestizos (mixed) and whites. For the most part the people are colourful, light-hearted and gay and the rhythmic throb of tropical music is typical of the Coast.

—*J.E.L.*

Plans for an International Industrial Exposition in Bogotá, to run from March 1 to 21, 1954, are under way. The Ministry of Development of the National Government, the Foreign Ministry, and two Colombian manufacturers' associations are sponsoring the fair and subscribing the funds. The Board of Directors will consist of one representative from each of these government departments and one from each of the trade organizations. All countries with whom Colombia has diplomatic relations, including Canada, are invited to participate.

Reaching the Market

Excellent shipping services to Colombia from Canada's East and West Coasts speed goods to this market; transit by air proves valuable when time is a factor.

OTTAWA—Colombia, situated in northern South America, looks out over the Caribbean Sea to the north and the Pacific Ocean to the west. The isthmus of Panama joining North and South America forms a natural geographical barrier between the two oceans. However, the man-made Panama Canal enables commerce to flow smoothly between the Caribbean and Pacific coast ports of Colombia. Barranquilla, Cartagena, Puerto Colombia and Santa Marta are the principal ports on the Caribbean coast and Buenaventura is the one most widely used for cargo moving to and from the Colombian Pacific coast.

Colombia was a distant country when Canada first began to progress towards its present status in the world trade. With today's standard of transport, this has changed. Transportation of Canadian imports and exports to and from Colombia need not present a problem. There are shipping services from both our Atlantic and Pacific ports and air travel or air cargo has brought Colombia within two to four days of the Canadian office or warehouse.

Services from Eastern Canada

From eastern Canadian ports, two shipping lines operate regular liner-berth sailings to both Caribbean and Pacific coast ports of Colombia —one a direct service and the other with trans-shipment on a through bill of lading.

- The Flota Mercante Grancolombiana, jointly owned by the Governments of Colombia and Ecuador (Venezuela was also a partner but recently withdrew—see *Foreign Trade* of August 15) offers direct fortnightly sailings to Barranquilla, Cartagena and Buenaventura from Montreal during summer months and from Halifax when the St. Lawrence navigation season closes. When there is sufficient cargo, calls are also made at Three Rivers, Quebec City and Saint John, N.B. Cargo is accepted for other Colombian ports on a through bill of lading. A normal voyage from an eastern Canadian port to Barranquilla and Cartagena takes about seven days and to Buenaventura about 12 days. Some Grancolombiana vessels have facilities to handle refrigerated cargo but none of the ships has passenger accommodation.

- Saguenay Terminals do not offer direct services to Colombia but accept cargo for Colombia with trans-shipment on a through bill of lading on their intercoastal sailings between eastern Canada and the Canadian Pacific coast through the Panama Canal. Cargo is trans-shipped at Cristobal, Canal Zone. The voyage to Cristobal takes about 18 days and the arrival at Colombian destination varies because it depends upon the

first available vessel arriving at Cristobal for the onward carriage. Saguenay's ships on this run do not have refrigerator cargo facilities but a number have limited passenger accommodation.

Services from Pacific Coast

Colombia is so near the Panama Canal that it is practically astride the many trade routes using this artery. Furthermore, Buenaventura is a principal port of call for shipping lines operating services down the Pacific coast of North and South America. As a consequence, there are more steamship services between the Canadian Pacific and Colombia than from eastern Canada and sailings are more frequent. This is particularly true of services to the Colombian Pacific coast, where four shipping lines schedule regular sailings from Vancouver. Grace Line offers three sailings a month and two other lines schedule two departures a month from the Canadian Pacific coast port. The shipping companies are:

- *Grace Line*—Passengers, refrigerator and general cargo. Three sailings a month to Buenaventura and one to Barranquilla.

- *Westfal-Larsen Line*—Limited passenger accommodation and general cargo. Two sailings a month to Buenaventura.

- *Knutsen Line*—Passengers, refrigerator and general cargo. Two sailings a month to Buenaventura.

- *Mitsui Line*—General cargo. One sailing a month to Buenaventura.

- *Independence Line*—Refrigerator and general cargo. Monthly sailings to Barranquilla and Cartagena.

Air Services

Each succeeding year sees increases in air passenger travel and more international commerce moving by air. Speed in reaching the destination is normally the primary consideration influencing the choice of transportation. When the saving of time in transit is essential to maintaining or developing business in Colombia, Canadians have available fast and frequent air services to the important Colombian business centres. Although there are no direct flights from Canada to Colombia, Trans-Canada Airlines connects with Avianca-Aerovias Nacionales de Colombia at New York, enabling air movement to proceed with a minimum of interruption.

Trans-Canada Airlines schedules four flights a day from Montreal and Toronto; arriving in New York in the early morning and at intervals throughout the day. Avianca schedules daily flights from New York to Barranquilla and Bogotá—tourist flights on Mondays, Wednesdays, Fridays and Saturdays and first-class accommodation flights on the other days of the week. Avianca uses D.C.-4's for tourist flights and Lockheed Constellations for first-class flights.

The air time between Canada and Colombia is approximately 18 to 22 hours; the actual travelling time is less than two days. Air cargo is also moved with despatch. Delivery should be made at destination in Colombia within three to four days of the time of pick-up in Toronto or Montreal.

—H. A. HADSKIS
Transportation and Communications Section

Treaty Relations with Colombia

COMMERCIAL RELATIONS between Canada and Colombia are governed by the treaty between Colombia and Great Britain signed in 1866. This treaty continues automatically in force unless it is terminated on three months' notice.

Under this treaty, Canada and Colombia exchange full most-favoured-nation treatment. Canadian goods, on their entry into Colombia, are assured no less favourable treatment than goods from any other country in all matters pertaining to customs charges and formalities, import controls and other import regulations.

Reciprocally, Colombian products, on their import into Canada, are subject to rates of duty and other customs charges and formalities as favourable as those accorded to imports from any other country outside the British Commonwealth. Though Colombia is not a party to the GATT, Colombian products receive the benefit of tariff concessions negotiated by Canada with other countries under that agreement.

—International Trade Relations Branch

For More Information on Colombia . . .

WRITE your representative in Bogotá—
W. J. Millyard, Commercial Secretary,
Canadian Embassy, Apartado Aereo 3562, Bogotá.

or A. Savard, Area Trade Officer for Latin America,
Department of Trade and Commerce, Ottawa.

ASK the International Trade Relations Branch, Dept. of Trade and Commerce, Ottawa, for their pamphlet with detailed information on shipping documents and Colombian customs regulations.

REFER to these 1953 issues of *Foreign Trade*—February 7, June 13, July 4 and October 17.

For information on "Trade Commissioners on Tour", see page 24 of our November 7 issue.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02041.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Nov. 5*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1307	
		Basic buying	·1960	
		Preferential selling	·1960	(1)
		Basic selling	·1307	
		Free	·07054	
Austria	Schilling		·03769	
Australia	Pound		2·2040	
Belgium Luxembourg & Belgian Dependencies	Franc		·01967	
Bolivia	Boliviano	Official	·00516	
British West Indies	Dollar		·5740	(3)
	Pound		2·7550	(4)
	Dollar	Brit. Honduras	·6888	
Brazil	Cruzeiro	Official selling	·05207	
		Effective buying	·03456	(5)
		Coffee buying	·04195	
Burma	Kyat		·2058	
Ceylon	Rupee		·2066	
Chile	Peso		·00891	(1)
Colombia	Peso	Basic	·3920	
Costa Rica	Colon	Official	·1745	(6)
		Free	·1476	*
Cuba	Peso		·9800	tax 2%
Czechoslovakia	Koruna		·1361	
Denmark	Krone		·1419	
Dominican Republic	Peso		·9800	
Ecuador	Sucre	Official	·06534	(7)
		Free	·05645	
Egypt	Pound		2·8141	
Fiji	Pound		2·4820	
Finland	Markka		·00426	
France	Franc		·00280	
French Africa	Franc		·00560	
French Pacific	Franc		·01540	
Germany	D Mark		·2333	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9800	
Haiti	Gourde		·1960	
Honduras	Lempira		·4900	
Hong Kong	Dollar	Free	·1642	*Oct. 23
Iceland	Krona	Official	·06018	
		Special buying	·04634	
		Special selling	·03733	
India	Rupee		·2066	
Indonesia	Rupiah	Basic	·08596	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Nov. 5	Notes (See below)
Iran	Rial	Official	·03039	*
		Certificate	·00978	*
Iraq	Dinar		2·7440	
Ireland	Pound		2·7550	
Israel	Pound	Basic	2·7440	
		Investment	·9800	(9)
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2997	
Mexico	Peso		·1133	
Netherlands	Guilder		·2579	
Netherlands Antilles	Guilder		·5197	
New Zealand	Pound		2·7550	
Nicaragua	Cordoba	Effective buying	·1485	(10)
		Official selling	·1390	
		With Surcharge I	·1217	
		With Surcharge II	·09751	
Norway	Krone		·1372	
Pakistan	Rupee		·2962	
Panama	Balboa		·9800	
Paraguay	Guarani	Basic	·06534	(1)
		With Surcharge I	·04667	(11)
		With Surcharge II	·03267	
Peru	Sol	Certificate	·05450	
Philippines	Peso		·4900	tax 17% (2)
Portugal	Escudo		·03420	
El Salvador	Colon		·3920	
Singapore & Malaya	Straits dollar		·3214	
South Africa (Union of)	Pound		2·7550	
Spain & Dependencies	Peseta	Basic buying	·04475	
		Basic selling	·08734	
		Basic commercial selling	·05967	(1)
		Free	·02487	
Sweden	Krona		·1894	
Switzerland	Franc		·2283	
Syria	Pound	Free	·2736	*Sept. 30
Thailand	Baht	Official	·07840	(1)
		Free	·05262	*Sept. 30
Turkey	Lira		·3500	
United Kingdom	Pound		2·7550	
United States	Dollar		·9800	
Uruguay	Peso	Official	·6452	
		Basic buying	·5506	
		Special buying	·4170	(1)
		Basic selling	·5158	
		Special selling	·4000	
Venezuela	Bolivar		·2925	(12)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

You too can go to market in Indonesia

It'... —80,000,000 people. It's big
i... ten provinces of the United States
...over an area of the South Pacific
...om east to west and 1,000 from north

...exports are rubber, oil, tin, copra, tea and
... Indonesia now buys mainly from the United
... Japan and the Netherlands.

...help Canadians sell in Indonesia, the Trade
...mmissioner Service of the Department of Trade
...nd Commerce has opened a new office at Djakarta,
the capital city.

Write to W. D. Wallace, Commercial Secretary, Canadian Embassy, Tanah Abang Timur 2, Djakarta. He may be able to help you market your product in Indonesia.

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NOVEMBER 21, 1953

Switzerland and Its Foreign Trade (page 2)

foreign trade

OL. 14 OTTAWA, NOVEMBER 21, 1953 NO. 360

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discusses Switzerland's
trade.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Switzerland and Its Foreign Trade

First six months of 1953 saw the Swiss achieve record exports and a favourable trade balance, with the U.S. ranking first as a market and Germany first as a supplier.

BERNE—Swiss exports for the first half of 1953 reached a record value of 2,460 million Swiss francs. Imports fell to the lowest point since 1950 and these two developments created the second and largest favourable trade balance of the postwar years. Exports gained 209 million francs, or 9 per cent, and imports fell 471 million francs, or 11 per cent, to yield a positive balance of 34 million Swiss francs. In sharp contrast to the adverse balance of 460 million francs for the first half of 1952, the new balance represents a net improvement of 514 million francs in Switzerland's international trading accounts.

Switzerland's Trade Record

	IMPORTS			EXPORTS			
First Half Year	Quantity (thousand met. tons)	Value (million francs)	Avg. price index	Quantity (thousand met. tons)	Value (million francs)	Avg. price index	Trade Balance
1938	3,423	781	100	300	618	100	—163
1950	3,384	1,786	201	227	1,643	235	—143
1951	4,978	3,140	241	324	2,244	251	—896
1952	4,576	2,731	247	295	2,251	262	—480
1953	4,105	2,426	228	332	2,460	256	+ 34

Regional Trade Gaps Narrowed

Switzerland's trade with Europe showed the greatest gains; her usually severe deficit was reduced by 278 million francs as a result of lower imports and higher exports. Sharply reduced imports from and slightly higher exports to the Americas yielded the second largest gain, 225 million francs, and resulted in a positive balance where formerly deficits reigned. On a smaller scale, increased imports from Asia, Australia and Oceania were outweighed by larger exports to these regions. The only negative shift in the Swiss trade balance was with Africa, where export gains failed to compensate for increased imports.

Swiss Trade by Regions

	Imports 1st 6 months		Exports 1st 6 months		Balance		Change in balance
Area	1952	1953	1952	1953	1952	1953	
Europe	1,757	1,619	1,298	1,438	—459	—181	+278
N. America	778	586	606	639	—172	+ 53	+225
Asia	113	114	209	227	+ 96	+113	+ 17
Africa	69	89	109	122	+ 40	+ 33	— 7
Australia*	14	17	29	33	+ 15	+ 16	+ 1
Totals	2,731	2,425	2,251	2,459	—480	+ 34	+514

* Includes Oceania.

Asia, Africa and Australia collectively doubled their relative share of Swiss exports and imports to approximately 14 per cent, at the expense of Europe's proportion of total trade. North and South America's percentage share of exports rose nominally, while their relative position on the Swiss import market slipped slightly. Switzerland's closely balanced reciprocal accounts with these regions are striking.

Main Suppliers

Switzerland's principal suppliers (apart from the United States, which holds second place) border her on the north, west and south. Germany, despite a slight drop in sales, increased her share of the Swiss market to 20 per cent, with exports valued at 482 million francs, and was the leading supplier. Coal, iron, steel, machinery and automobiles were, in that order, the main imports from Germany. A sharp decline of 36 per cent in purchases from the United States lowered imports from this source to 309 million francs, representing roughly 13 per cent of total imports, compared with almost 18 per cent for the first half of the previous year. Shipments from the United States consisted chiefly of metals, agricultural products, machinery and equipment (including vehicles), textiles, and drugs, in order of importance.

France, shipping mainly iron, steel, coal and wool, accounted for nearly 10 per cent of all imports, a slightly larger share than for the corresponding period in 1952, but down 9 per cent in value to 235 million francs. Imports from Italy rose 14 per cent to 228 million francs, increasing the Italian share of the Swiss market to over 9 per cent. From Italy, Switzerland buys principally fruits, vegetables, motorcycles and wine. The United Kingdom and the Netherlands moved ahead of Belgium-Luxembourg to rank fifth and sixth, respectively; a severe drop of 38 per cent in imports from BLEU placed it in seventh position. Canada ranked eighth, slightly increasing her percentage share of the market despite a 9 per cent fall in the value of her exports to Switzerland.

Suppliers Ranked by Value

(millions of francs)

First Half 1952				First Half 1953			
Rank	Country	Value	% share	Rank	Country	Value	% share
1	Germany	491	18·0	1	Germany	482	20·0
2	United States	487	17·8	2	United States	309	12·7
3	France	258	9·4	3	France	235	9·7
4	Italy	200	7·3	4	Italy	228	9·4
5	Belgium-Lux.	172	6·3	5	United Kingdom	172	7·1
6	United Kingdom	171	6·3	6	Netherlands	110	4·5
7	Netherlands	109	4·0	7	Belgium-Lux.	106	4·5
8	Canada	99	3·3	8	Canada	91	3·7
	All others	744	27·6		All others	693	28·4
	Totals	2,731	100·0		Totals	2,426	100·0

Importance of Commodity Groups

Despite the traditional Swiss dependence upon outside sources of raw materials for the manufacturing industries, this year has seen the slowly growing relative importance of imported manufactures continue. This category, valued at 1,001 million Swiss francs, accounted for 41·7 per cent of all imports during the first half of 1953, compared with 36·7 per cent four years ago. The re-emergence of Germany as a competitive industrial power in the past few years was at least partly responsible for this. Raw material imports, on the up-trend since 1950, are currently

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down 7·3 per cent. Their value for the first half of 1953, 815 million francs, represents one-third of all imports. Purchases of foodstuffs and feeds reversed the down-trend of former years to reach a value of 610 million francs, roughly one-fourth of total imports.

Because she lacks mineral resources, Switzerland values coal, fuel oil, gasoline and primary metals among her top-ranking imports. Their value fell off sharply during the first half of 1953, however, with fuel imports down 13 per cent to 221 million francs and primary metals down 60 per cent to 95 million francs. These savings of 190 million francs represent over one-half the value of Switzerland's total import reductions and reflect a substantial lowering of inventories in the face of weakened prices. Generally speaking, however, raw material stocks are adequate for months to come—or even a year or two in a few cases—and will probably be replenished before supplies run too low.

Other major import reductions included tinplate (down 46 per cent to 2·5 million francs), timber and wood pulp (down 44 per cent to 31 million francs), and iron pipes and tubes (down 21 per cent to 23 million francs). Switzerland has also managed to curb her imports of wines, sugar, meat, and manufactures of rubber and cotton, yielding a further total saving of 22 million francs.

Semi-Manufactured and Finished Imports

Though leading primary imports were lower, the Swiss substantially increased their purchases of some important semi-manufactured and finished products. Machinery imports advanced by 8 per cent to rank second, with a value of 184 million francs, followed by primary textiles, up 6 per cent to a value of 151 million francs. Automobiles rose 17 per cent to become the fifth leading import, with a value of 143 million francs. Notable increases were also recorded for instruments and apparatus (up 9 per cent to 59 million francs), and for wool manufactures (up 18 per cent to 20 million francs).

Of agricultural products, wheat and coarse grains rose 6 per cent to a value of 150 million francs, ranking fourth. Coffee, tobacco, hides and leather, eggs, and oil fruits were also up appreciably in value this year. Fruits and vegetables advanced to sixth position, with a constant value of 108 million francs.

Leading Imports by Value

(millions of francs)

First half of 1952			First half of 1953		
Rank	Item	Value	Rank	Item	Value
1	Fuels	254	1	Fuels	221
2	Primary metals	242	2	Machinery	184
3	Machinery	171	3	Primary textiles	151
4	Primary textiles	142	4	Wheat and coarse grains	150
5	Wheat and coarse grains	141	5	Automobiles	143
6	Automobiles	122	6	Fruits and vegetables	108
7	Tinplate	114	7	Primary metals	95
8	Fruits and vegetables	108	8	Tinplate	61
9	Timber and wood pulp	55	9	Instruments and app.	59
10	Instruments and app.	54	10	Raw coffee	54
11	Raw coffee	49	11	Bulk wines	35
12	Bulk wines	37	12	Raw tobacco	35
13	Raw tobacco	34	13	Oil fruits	32
14	Sugar	31	14	Timber and wood pulp	31
15	Rubber manufactures	29	15	Sugar	29
16	Cocoa beans	25	16	Rubber manufactures	26

Switzerland depends for markets mainly upon the same countries which rank as her chief suppliers. Canada, however, is an exception to this rule. There was little change in the relative importance of principal markets during the first half of the year although, as a result of absorbing the bulk of Switzerland's expanded exports, her three leading customers increased their share of the total by 6 per cent, accounting for well over one-third of all exports.

The United States ranked first, with purchases up 36 per cent to reach 406 million francs. Germany and Italy, in second and third place respectively, each imported roughly one-fourth more than in the first half of last year, bringing their fairly evenly divided purchases to a total of 516 million francs. France, despite a 10 per cent rise in purchases, was just able to retain her 7·3 per cent share of exports; Belgium-Luxembourg, the United Kingdom and the Netherlands all fell back slightly. Brazil, with purchases down by more than 50 per cent, gave over to Sweden her role as a principal market.

Manufactures Predominate

Exports gained in all the principal trade categories but the most significant was manufactures, with a value by June of 2,227 million Swiss francs. This exceeded the total for the first half of 1952 by 165 million Swiss francs, but failed to interrupt a slight down-trend in the overwhelming share of manufactured products in total exports, currently 90 per cent. A continued rise in exports of raw materials, foodstuffs and feeds collectively accounted for an increase of 34 million francs, bringing their aggregate value to 233 million francs, roughly 10 per cent of total exports.

Key Export Industries

The watch industry, traditionally the export leader, slipped into second place during the first half of the year, with exports valued at 495 million francs. Its slight loss, however, was overshadowed by substantial gains in the other leading export industries. Machinery exports climbed 7 per cent, to move into first place with a total value of 507 million francs. Chemicals, ranking third, with exports valued at 324 million francs, also gained 7 per cent, principally in pharmaceuticals and dyestuffs, which made up the bulk of exports. Growing in importance in this industry, however, are synthetic resins, plastics and insecticides. The textile industry, recovering from its slump, registered the largest gains; exports rose 13 per cent in value, from 268 to 304 million francs. Precision instruments and apparatus contributed 159 million francs to this year's export total, rising 6 per cent over the corresponding 1952 figure.

Accounting for roughly three-quarters of total exports in each of the periods reviewed, these figures illustrate the dependence of Swiss foreign trade upon concentrated industrial achievement. Collectively, however, other Swiss industries contribute a substantial share to the export total and this year their relative position improved.

—W. R. Hickman

Assistant Commercial Secretary for Canada

Fiji in Fifty-Two . . .

To meet the problem of a growing population, Fiji is introducing new industries to supplement the traditional ones; her small but steady trade with Canada could well be expanded.

WELLINGTON—In January 1952 Viti Levu, the principal island of the Fiji group, was struck by a severe hurricane which caused widespread damage in the areas devoted to the production of sugar cane—and cane and its products account for more than half of Fiji's total exports. Despite this, however, exports for the fiscal year ending March 31, 1953, set a new record of £11 million, compared with £7·3 million in 1951.

This increase, however, was offset by heavier spending on imports, partly the result of higher landed costs. Volume of imports also increased because of the tighter import restrictions in Australia and New Zealand which made more shipping space available for goods destined for the Islands. Imports in 1952 were valued at £12 million, compared with £9·4 million in 1951, and thus the deficit in the balance of visible trade reached £1 million. This was, however, only half the deficit for the previous year. Since the turn of the century, Fiji has had only seven adverse trading years.

Three Leading Exports

Sugar cane products account for 57 per cent of all exports; coconut products and gold make up 39 per cent. The prospects for the maintenance of sugar exports are good. In 1952 the exportable surplus was 133 thousand tons and for 1953-54 it is estimated at between 160 and 170 thousand tons. The average export price for sugar has increased steadily from £14·5 per ton in 1943 to £42·6 per ton in 1952 and no drop appears likely. Prices for copra and its products have also increased substantially and exports of fresh fruits to New Zealand are rapidly gaining in importance.

Trade Mainly with Commonwealth

The British Commonwealth supplies Fiji with 75 per cent of her requirements and buys 90 per cent of her exports. The bulk of the imports (£7·3 million) come from the United Kingdom and Australia; of the remainder, the United States supplies £·87 million, New Zealand £·87 million, India £·8 million, Netherlands East Indies £·62 million, Japan £·38 million, and Canada £·28 million.

Fiji is a crown colony and, like other parts of the sterling area, imposes strict control on imports, especially from dollar countries. It is thus interesting to note the trend of imports from the three major hard currency countries—Canada, the United States and Japan. In 1947 imports from Canada were valued at £·33 million. This varied little until 1950, when there was a big drop to £·15 million, followed by a rise

—British Official Photo.

Copra is one of Fiji's main exports and recently prices for copra and its products have risen substantially. Above, copra cutters are slicing the coconut meat and turning it out, using a knife with a rounded point.

to £·41 million in 1951. However, this fell to £·28 million again in 1952. In the case of the United States, 1947, 1949 and 1951 were peak years, with imports at £·64 million, £·57 million and £·58 million respectively. In the intervening years the figures dropped to approximately £·43 million. In 1952, however, there was a sudden increase to £·87 million, about 40 per cent over the top figures of 1947.

Sales Abroad

In 1947 Japanese exports to Fiji consisted entirely of artificial silk and were valued at only £786. The five years since then have seen a steady and marked annual increase to the high of £380 thousand in 1952. Artificial silk still takes first place—30 per cent of total imports—but there is a growing trade in piece goods and textile manufactures. Considerable quantities of cement and structural iron and steel are also imported, plus nails, nuts and bolts, and fencing and netting.

The United Kingdom, New Zealand, Canada and Australia absorb 90 per cent of Fiji's exports. Canada's share is £2·4 million and since Canadian products going to Fiji were valued at only £·28 million, the difference of well over £2 million was in favour of Fiji. On the other hand, the United States purchases from Fiji only £·22 million worth of commodities, leaving a balance in favour of the United States of £·65 million. Exports to Japan are unimportant—£22 thousand in 1952—leaving a balance of £358 thousand in favour of Japan.

Although the market in Fiji for specific goods is relatively small, an examination of the statistics suggests opportunities for expansion of Canadian trade in goods which are now being obtained from American exporters. Among these are ammunition; women's dresses; hats and caps; tires and tubes; agricultural implements and tools; excavating, mining, and roadmaking machinery; stationary engines, tractors, marine engines; electric wire, electrical goods n.o.p.; cylinders and drums of iron and steel; hand tools; wrapping paper; coal tar and bitumen, and plastics.

Faces Economic Problems

Fiji is facing a difficult economic problem because the population has almost reached the point at which productivity of the Islands will be insufficient to maintain the present standard of living. This is further complicated by the fact that the most rapid growth in population is among the Indians, who now outnumber the native Fijians to whom, by Act of Parliament, the bulk of the land belongs. Moreover, to protect the Fijian from exploitation, he is not allowed to alienate his land. One result is the movement of the Indian population to the cities, where they are rapidly becoming a factor in trade and industry.

At the present time sugar and its products, coconut products, and gold account for 96 per cent of the exports, but the gold deposits now being worked will in a relatively short time be exhausted. Exports have already fallen off from 135 thousand fine ounces in 1947 to 80 thousand fine ounces in 1952. There is also some fear that production of copra may suffer in the future if the campaign to exterminate the rhinoceros fails.

To provide for the growing population, determined efforts are being made to introduce new industries and to revive decadent ones, such as the production and processing of ginger, pineapple and cocoa. At one time these were flourishing industries in the Islands. Strong hopes are held out for the future of the manganese industry, started in 1948 when some 70 tons of ore were exported. By the end of 1952 this had increased to over two thousand tons. Recently a new company, the Consolidated Manganese and Mining Syndicate of Fiji, was formed and this company hopes that, when proper transportation, both inland and ocean, is available, shipments may reach 10,000 tons a month or more.

Fiji's newest industry is the manufacture of pearl buttons from the Trochus shell, found in abundance. The factory has a capacity of 92,000 buttons a day and will begin to export as soon as polishing machinery is installed.

—L. S. Glass

Commercial Secretary for Canada

Tour of Territory

R. V. N. Gordon, Vice-Consul of Canada and Trade Commissioner in Chicago, will visit Minneapolis from November 23-24 and Indianapolis, December 14-16. Businessmen interested in contacts in these cities should write to Mr. Gordon at Chicago as soon as possible.

What Happened at GATT

A brief review of the main items on the agenda of the Eighth Session of the GATT held at Geneva this fall—and of the action taken.

THE EIGHTH SESSION of the Contracting Parties to the General Agreement on Tariffs and Trade was held in Geneva, Switzerland, from September 17 to October 24, 1953. It was attended by representatives of the 33 countries which are signatories to the General Agreement and which account for the predominant part of world trade. The Canadian delegation was headed by the Right Honourable C. D. Howe, Minister of Trade and Commerce.

The following were among the highlights of the Session.

- *Extension for Eighteen Months*—Perhaps the most important achievement was a decision to extend for eighteen months the firm binding of the important and extensive tariff concessions previously negotiated under the General Agreement.

- *Comprehensive Review Coming*—Arrangements were made for a comprehensive review of the General Agreement and the date for this review session was tentatively set as October 15, 1954. This date is subject to change in the light of progress made in the studies of trading and economic policies now under way in major trading countries.

- *Accession of Japan*—The possible accession of Japan was one of the more important matters discussed at the recent session. A formal decision was reached, inviting Japan to participate in the meetings and work of the Contracting Parties while it is waiting to become a full member of the Agreement. This does not in itself result in the application of the GATT as between member countries and Japan. However, the GATT countries also agreed to a declaration whereby those countries wishing to do so could enter into full GATT relations with Japan. Canada is not among the countries which have taken action under this declaration.

- *Quantitative Import Restrictions*—As a part of the regular operations of the General Agreement, consultations were held at the Eighth Session with various member countries which are still maintaining quantitative import restrictions for balance-of-payment reasons. During these discussions, the Netherlands announced that it is relaxing its restrictions on dollar imports as a result of satisfactory developments in its balance of payments and monetary reserves. These relaxations, which constitute an important step towards free multilateral trade as envisaged by the General Agreement, take the form of a significant list of dollar imports for which licences are now being freely granted. Moreover, the Union of

South Africa announced that its import restrictions will be non-discriminatory after January 1, 1954. This replaces the present system which, to some extent, discriminates against imports from Canada and from other dollar countries.

• *Operations of Coal and Steel Community*—The operations of the European Coal and Steel Community were also reviewed. The six countries constituting the Community* are also signatories of the GATT. In 1952, they were granted a waiver of certain of their obligations under GATT so that they could establish a common unrestricted market for coal and steel embracing their territories. At Geneva, the Community's operations under the GATT waiver were reviewed; so were broader considerations such as efforts undertaken by the Community towards making its trade in coal and steel with outside countries less restrictive than it was before the setting-up of the Community. The High Authority of the Community affirmed its willingness to take every step in its power to maintain the operations of the Community consistent with its obligations under the General Agreement.

• *Complaints against Member Countries*—Among the other items on the extensive agenda, the Contracting Parties dealt with various complaints against actions by member countries held to be inconsistent with the General Agreement. Among these, the French delegation informed the Contracting Parties that a French tax on imports, against which a complaint had been raised, would not be renewed at the end of the year. The United States delegation said that its import restrictions on dairy products were being studied as part of the current review by the United States of its international trade policies.

• *Reduction of Tariff Levels*—The Contracting Parties examined the technical aspects of a plan for the reduction of tariff levels in three yearly stages, submitted by France. It was proposed because some GATT countries which have low tariffs feel that they can no longer negotiate further concessions on the present item-for-item basis. The plan provides for various exemptions from this reduction, including cases where tariffs are already low. The French plan attempts to find a possible solution to this problem under the General Agreement, if there should be new negotiations at some future time. The Contracting Parties have not yet taken any definite steps towards implementing this plan.

• *Waiver Granted to U.K.*—The Contracting Parties also granted a waiver to the United Kingdom permitting that country to increase certain of its customs duties on goods from non-Commonwealth countries which are not bound under the General Agreement, without requiring the imposition of duties on similar Commonwealth products. However, these increases in preferences must not be such as to result in a substantial diversion of trade to preferential suppliers.

—*International Trade Relations Branch*

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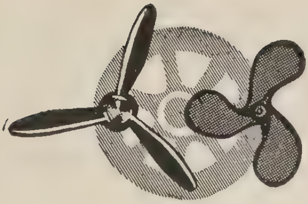
* Belgium, France, Italy, Luxembourg, the Netherlands and West Germany.



Transportation Notes

Rotterdam and Its Trade

THE HAGUE—Water, the traditional enemy of the Dutch, has become one of their strongest commercial allies. Situated at the mouth of the great inland water system of the Rhine and Meuse Rivers, the Netherlands occupies a strategic position as a forwarder of all types of goods to the hinterland of Europe. The Netherlands harbours constitute one of the country's main sources of income, compensating in some degree for the lack of other resources.

The great importance of the Dutch harbours is well illustrated by the country's principal port, Rotterdam. Although Amsterdam, with its new canal connection with the Rhine River, is assuming increasing importance, Rotterdam retains its lead as Holland's trans-shipment centre.

Following almost complete destruction during World War II, the port of Rotterdam has not only been entirely restored but since 1945 has greatly expanded its facilities. It has been conservatively estimated that 50 per cent of the 700 thousand population earns its living directly or indirectly from the port activities.

Traffic and Cargoes

Rotterdam's rapid postwar recovery, combined with the installation of modern facilities, has resulted in a great increase in the volume of traffic. In 1952 the seaborne trade totalled approximately 39·8 million tons. Although this is still below the 1938 record of 42 million tons, it is greater than that of any other port on the continent. In 1952, some 15,443 ocean-going vessels, with a total carrying capacity of 25·4 million net registered tons, entered the harbour. These vessels represented 37 different nationalities.

The constantly increasing volume of traffic is shown by the fact that during the first seven months of this year some 9,023 vessels with a total capacity of 15,528,039 N.R.T. entered Rotterdam, compared with 8,792 vessels and 14,756,647 N.R.T. during the corresponding period of 1952.

The port handles a wide range of goods, mainly bulk cargoes such as mineral oils, coal, ores and grain, though general cargoes represent about one-fifth of the total seaborne trade. Rotterdam is the terminus for many international and inter-continental lines. Some 200 regular lines, many of them with several sailings each month, connect Rotterdam with practically every port in the world and its shipping companies play an important part in this trade. About two million net registered tons of shipping have Rotterdam as their home port.

The Rotterdam fleet is not restricted to the transport of merchandise. Apart from the fact that cargo vessels are being provided more and more with passenger accommodation, the Rotterdam shipping companies also play a leading part in the passenger trade itself.

Inland shipping via Rotterdam helps to swell the port's total movement of goods. In 1952 more than 20 million tons of merchandise were landed and despatched by inland craft.

Port Facilities

Anchorage is in no way restricted by the length of the ship. Over 160 ocean-going vessels can be moored alongside the quays. In addition, 85 ships can be berthed on buoys and dolphins. The port equipment includes 13 loading bridges; 86 floating cranes, of which 62 are floating grab cranes for bulk cargoes; 26 floating cranes for heavy loads; 260 cranes on quays, 130 of them with a radius of 100 to 118 feet, and 26 floating grain elevators with a capacity of 150 to 250 tons per hour. The total floor space of sheds and warehouses is 5,380,000 square feet; three cold storage warehouses have a total capacity of 1,770,000 cubic feet and 2,540,000 cubic feet of fruit can be stored in special warehouses. The six granaries have a total capacity of 180 thousand tons.

Rotterdam boasts eight shipyards, with several foundries and machine shops. There are 20 floating drydocks with a total lifting capacity of 249,500 tons and one graving dock with two berths each 650 feet long; 32 slipways and five side slipways with travelling cranes. Other port equipment includes 270 platform trucks, 20 tractors, 160 fork-lift trucks, 60 mobile cranes, six floating transporters for bunkering purposes with a capacity of 350 tons per hour, one coal lift with a capacity of 37 tons, 123 tugs of 75 to 600 I.H.P., 18 seagoing tugs up to 4,200 I.H.P. for towing drydocks, dredging plants and floating cranes and for salvaging ships.

Expanding Rotterdam

The port of Rotterdam employs a unique system to facilitate the free movement of merchandise. There is no single free port or customs-free area within its limits. Goods entering Rotterdam are subject to customs control and in most cases the merchants can store bonded goods on their own premises under customs supervision. In addition, the Netherlands Government supplies bonded warehouse space at numerous places throughout the harbour. Goods can be moved, again under customs supervision, from ocean-going vessels directly to inland water, road or rail transport at any point within the port area.

Rotterdam suffered more damage during World War II than any other Dutch city. One square mile of buildings in the centre of the old city was completely destroyed but today visitors to Rotterdam are struck by the tremendous building activity. The city is also playing an important part in the industrialization of the country, with the establishment in the port area of numerous manufacturing plants.

It is certainly true to say that the strengthened economic position of the Netherlands has in no small measure resulted from the activity of her great ports such as Rotterdam.

—W. G. Pybus

Assistant Commercial Secretary for Canada

Japan

Rice Shortage Raises Problems

Poorest rice crop in many years may result in larger imports of wheat flour and pressed barley from Canada and other countries.

TOKYO—Continuous cold wet weather and severe typhoon damage have seriously affected the Japanese rice crop. The Ministry of Agriculture and Forestry's forecast on the basis of data available on October 5th places the crop at 262,076,350 bushels, some 63 million bushels below the average crop of the past five years.

The estimate does not take into consideration the widespread damage done by typhoon "Tess" which struck the leading rice-growing areas in southern Japan at the end of September. Unseasonal chilly and rainy weather continued into October and the final crop may be well below even this estimate. The rice crop based on the October estimate is described as the worst in 19 years.

Measures Being Taken

The Ministry of Agriculture is encouraging the production of artificial rice and will also take other measures to meet the emergency. Japanese artificial rice is produced by mixing starch and wheat flour in varying quantities, depending upon grade. Grade A artificial rice consists of 50 per cent wheat flour and 50 per cent starch; Grade B contains 40 per cent wheat flour and 60 per cent starch. The present plan is to increase production of artificial rice from 2,100 tons to 25,000 tons a month by the end of next March. There is some opposition to the proposed production increase on the ground that artificial rice has only half the nutritional value of natural rice and costs more.

Pressed Barley as Substitute

The Government is also urging increased consumption of pressed barley. There are sufficient unused production facilities to step up the production of pressed barley without expanding existing plants. Moreover, pressed barley is fairly widely used, but artificial rice is not well known. The Government also intends to cut the rice allocation to "sake" manufacturers and to reduce the special additional rice ration now given to the labouring class. It is also making efforts to procure more rice, over and above annual imports of a million tons, from sources outside Japan. Because this creates a serious problem, it is probable that the rice shortage may be met in part by the increased use of wheat and barley substitutes.

—J. C. Britton
Commercial Counsellor for Canada

India Exports Manganese

High-grade manganese oxide from Indian mines goes to many countries, including Canada. Soon Indian industry may begin processing the ore into ferro-manganese and exporting it, rather than the crude mineral.

NEW DELHI—India ranks as one of the world's leading producers of high-grade, hard-lump manganese ores for metallurgical purposes and in recent years this commodity has figured prominently in trade between Canada and India. In 1951 and 1952, for example, Canada imported from India manganese oxide valued at $775,477 and $402,217 respectively, and in the first six months of 1953, some $231,631 worth.

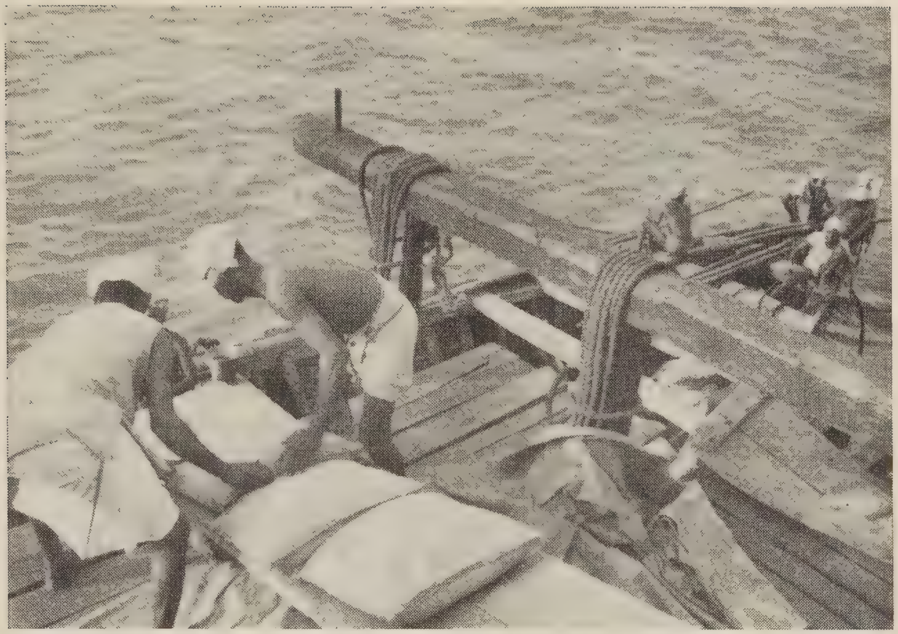
Other major world producers include the Soviet Union, Brazil, South Africa and the Gold Coast but, with the exception of the USSR, none of the other highly industrialized countries have manganese deposits. The Indian manganese ore reserves have not been reliably estimated but it is assumed that the country possesses approximately 15 to 20 million tons of high-grade ores and up to 60 million tons of the lower grades. Though the experts have carried out little underground mining and drilling to determine the extent of the ore bodies, recent surveys indicate that the reserves may be even larger. The ores vary but those found in Madhya Pradesh in Central India are hard and fine-ground and usually have a high manganese content—over 49 per cent. The phosphorous and iron content varies.

Output Fluctuates

The mining and marketing of manganese ore was begun in a small way in Madras Province in 1891. Later, rich deposits were discovered in Central India, in Bombay Province, Mysore and Orissa. Production increased with world expansion of the iron and steel industry and with the growing use of manganese for metallurgical purposes. Between 1909 and 1913, total Indian production averaged over 700 thousand tons a year and between 1924 and 1928, the annual average production exceeded 950 thousand tons. In the depression years of the early 1930's production dropped but it recovered quickly and in 1937 exceeded one million tons.

During the war years and subsequently, Indian output of manganese ore slipped again, partly because of greater international competition and partly because of domestic transportation difficulties—a shortage of petrol to transport the ores to railhead and a shortage of railway stock to move them to port. In 1948, the Government of India imposed a duty of Rs.20 per ton of ore exported but after protests, particularly from the producers of low-grade ore, the export duty was assessed "ad valorem".

One of the industry's postwar problems was the entry into the marketing picture of speculators without experience. Their operations soon brought serious complaints about the quality of some consignments exported, and led to the standardization of manganese ores by the Indian Standards Institute; methods of sampling and analysis were defined.



(Above) Indian workers load manganese into a lighter, which will take it out to a waiting ship. About 85 per cent of the manganese which India produces is exported; the U.S. is the leading market.

In 1951 production reached nearly 1·3 million tons and it increased further the following year. India itself uses only 15 per cent of the manganese ore it produces and the principal foreign markets for manganese dioxide during the twelve-month period ending March 31, 1953, were the United States, importing 890 thousand tons; Western Germany, 146 thousand tons, and the United Kingdom, 136 thousand tons. France, Japan, Italy, Norway, Sweden and Canada in that order, take lesser quantities. Total exports for the period were 1·36 million tons, valued at Rs.207·7 million (approximately $45 million).

India's Five Year Plan includes the suggestion that, instead of exporting such a large proportion of the manganese dioxide, the ore be used for the production in India of ferro-manganese for export. This would add a new branch to the growing iron and steel industry. Ferro-manganese has been produced in small quantities in India since 1915 but unfortunately the product has a high phosphorous content and is not up to export standards. The installation of electrical ferro-manganese processing might solve these difficulties because the high phosphorous content comes from the coke used in the blast furnaces. However, the cost of electricity and installation of suitable processing equipment constitute considerable obstacles to this proposed expansion. It is understood that the Government of India is considering a proposal to establish a factory to process manganese ore because it believes it would be more profitable to export processed manganese than the mineral in its crude form.

—R. K. THOMSON
Acting Commercial Secretary for Canada

Commodity Notes

AUSTRALIA

Uranium—Geologists of the Commonwealth Bureau of Mineral Resources have found a uranium field with potentialities at least equal to those of Rum Jungle, 230 miles southeast of Darwin. A road is to be put through to the new field immediately and diamond drills and mining equipment moved in. The Bureau is following up more than 100 aerial discoveries made by its uranium search plane last year. In addition, a syndicate of three Darwin contractors has applied for ten uranium leases to work a find made a year ago at the Edith River, 180 miles south of Darwin—Sydney, Oct. 20.

BRAZIL

Cocoa—Cocoa exports during the first six months of 1953 totalled 545,734 bags, an increase of 279,362 bags over the same period of 1952. However, they were still down from the 1950 and 1951 figures of 1,022,601 and 656,912 bags, respectively—Rio de Janeiro, Oct. 29.

Sugar—São Paulo sugar production amounted to a record 2,229,893 bags during the first 45 days of the 1953-54 crop year, an increase of 42·2 per cent over the same period of the previous year—São Paulo, Oct. 29.

CUBA

Sugar—Cuba's 1953 sugar crop was 5,006,960 Spanish long tons (2,271 lb.). The total cane ground was 3,548,825,043 arrobas (25 lb.), which produced 34,509,473 325-lb. sacks of sugar and 298,218,485 gallons of blackstrap molasses—Havana, Oct. 26.

INDONESIA

Rubber—The Central Bureau of Statistics reports that rubber exports for the first half of 1953 amounted to 329,703 metric tons. The monthly average was 54,950 metric tons, compared with 64,787 metric tons in 1952—Djakarta, Oct. 15.

ITALY

Automobiles—In May 1953 automobile production in Italy set a monthly record of 14,997 units. During the first six months of this year, 81,572 motor vehicles were produced, against 65,832 during the same period in 1952, an increase of 23·9 per cent. Exports also increased to 16,597 motor vehicles in the first six months compared

with 14,055 during the same period of 1952, an 18·1 per cent increase. The total number of registered motor vehicles is 2,076,524, about one for every 24 persons in the country—Rome, Nov. 2.

NORWAY

Railway Ties—The Norwegian Forest Owners' Association is investigating the possibility of filling an order from the United States for 400 thousand unimpregnated railway ties. A similar enquiry was received from the U.S. last year, but at that time the Norwegian State Railways advised against the granting of export licences on the grounds that most of Norway's production of ties would be required locally. This year, however, production is expected to exceed the local demand sufficiently to allow for export to the United States of at least part of the 400 thousand ties—Oslo, Nov. 2.

SOUTH AFRICA

Uranium—Twenty-two South African gold mines are separating uranium from residual slime and three extraction plants are in operation. At least two other mines are negotiating contracts, and two more extraction plants will begin production within the next nine months—Cape Town, Oct. 31.

Fluting Paper—Fluting paper is now being made in Felixton, Natal, from bagasse. The new paper mill started producing 20 tons of paper a day on September 1st and is expected to double its production within the next two years. It is expected that this will reduce dollar imports by one million dollars—Johannesburg, Oct. 31.

UNITED STATES

Aluminum—The Chalmette plant of Kaiser in New Orleans was completed and went into full production at the end of August. It is the largest aluminum producing plant in the United States and second largest in the world, next to Arvida. Its eight pot-lines with a total of 1,152 pots are rated to have an annual capacity of 400 million pounds—more than the total U.S. aluminum production before World War II. Its power plant, capable of supplying electricity to a city of over a million people, is fueled by natural gas. With its alumina plant in Baton Rouge and its reduction plant in Chalmette, the Kaiser Aluminum and Chemical Corporation is adding another page to the industrial development story of the South—New Orleans, Nov. 6.

WEST GERMANY

Optical and Precision Instruments—The value of the 1952 production of German optical and precision instruments industries amounted to 1,281·6 million DM., as compared with 716·4 million DM. in 1950 and 477·5 million DM. in 1949. About 40 per cent of the 1952 production was exported—nearly 25 per cent to the U.S. During January-June 1953, total production value was as high as 650·7 million DM., of which 267·2 million was exported (41·1 per cent). Sales of photographic and cinematographic equipment increased, while sales of optical products declined, as compared with last year—Bonn, Nov. 4.

Britain Frees Commodity Markets

Government bulk purchasing of many raw materials and foodstuffs has been gradually relinquished in the past two years and private trading restored, though some controls remain.

LONDON—The last 22 months have seen the British Government relinquish its bulk purchasing of a number of foodstuffs and raw materials and return the trade to private firms. On October 6, magnesium became the latest in the impressive list of commodities freed, including softwood and plywood; chemical and organic fertilizer materials; wheat, flour, feed grains, feedstuffs; cotton; lead, zinc, aluminum and copper. Imports of most of these items are now permitted on a non-discriminatory basis.

Purchases Freed

Since the Ministry of Materials was set up in June 1951, it has been responsible for importing eleven commodities, of which eight—softwood, plywood, fertilizers, lead, zinc, copper, aluminum, and hemp—have now reverted to private trade. The Ministry is still responsible for sulphur and pyrites, jute and jute goods, tungsten, and, until the end of the year, magnesium. The total import value in 1952 of the commodities (except magnesium) returned to private trade was £274 million, or about 84 per cent of the value of the commodities for which the Ministry became responsible when it was constituted.

On October 1, 1952, lead was freed and dealings on the London Metal Exchange restarted; zinc followed on January 2, 1953, and copper on August 5, 1953. Since July 1 of this year, aluminum has been imported on private account but is not being traded on the Metal Exchange.

In September 1952 cotton spinners were given the option of buying their raw cotton through ordinary commercial channels instead of through the Raw Cotton Commission and a substantial number have exercised this option.

Ministry Ceases to Import

The Ministry of Food also contributed a good deal to the resumption of private trade by bringing to an end state imports of foodstuffs—including wheat, flour, feed grains, feedstuffs, seed grain, starch and glucose, rice, tallow, bananas, coffee, linseed and linseed oil. Dried fruits will revert to private trade as from December 1, 1953, and canned pineapple, grapefruit, and mandarin oranges from the end of the year. There was some speculation about ending bulk purchases of canned apricots, peaches and pears but, in a statement on October 20, the Government said it would continue to buy and control distribution and prices of these items.

On December 31, 1952, the Ministry of Supply ceased to purchase calcium silicide and various ferro-alloys.

In returning these products to private trade, the Government retained a certain measure of import control, primarily designed to keep imports in line with internal needs. In the main, however, the licensing arrangements enable importers to purchase their requirements in the cheapest market, irrespective of whether these markets are dollar ones or not. This is done through the Open General Licence and the Open Individual Licence, which eliminate the need for ordinary individual licences. The number of articles admissible under Open General Licence from all countries (including Canada) is still comparatively small. A much larger number of commodities are under Open Individual Licence when they are imported from specified soft currency countries.

Nevertheless, for some of the items which have been returned to private trade—softwood, lead, zinc, copper, aluminum, wheat, flour, feed grains, feedstuffs and seed grain—the Open Individual Licence system has been introduced. Under this system, the holder of the licence is free to buy whatever quantity he wishes, even from dollar sources, provided he reports his purchases and conducts his operations in a reasonable way. If the total import of any one of these items is considered excessive, or if Open Individual Licence holders are guilty of speculative practices, the Government may withdraw the licences and revert to rigid control through the ordinary individual licence for each shipment.

Internal Controls

In addition to these import controls, there are domestic controls on consumption, prices, distribution and rationing. Softwood and plywood supplied from North America were returned to private trade on January 1, 1952, and January 1, 1953, respectively, but remain subject to internal controls on distribution and end-use. Price controls on plywood were dropped this year. Chemical fertilizers, which were returned to private trade on July 1, 1952, were released from maximum price controls in July of this year.

From July 1952 to April 1953 controls were relaxed on the acquisition, use or disposal of the following items: newsprint, zinc, raw jute and jute goods, sisal and certain other kinds of hemp, teak, used sleepers, softwood box-ends, sulphur for certain uses, and bristles. The only items on which price controls continue in effect are ground sulphur and sulphuric acid. End-use controls still also affect imported box boards, certain hardwood, wood pulp, pulpwood, esparto, paper for newsprint and pool betting, manila hemp, sulphur, sulphuric acid and, until the end of the year, magnesium.

Freedom in Foodstuffs

Private imports of wheat and other grains have been permitted since May 1 but the first deliveries of wheat under private auspices began only in September. The Ministry of Food purchases of wheat since May 1 have mainly been under the International Wheat Agreement, to which the U.K. was a party until last July 31. From August 1, the Ministry of Food control over home-grown wheat distribution and the rationing and control of animal feedingstuffs ceased. At the end of August, flour millers were officially freed of their obligation to purchase wheat from Ministry of Food stocks. They have, however, agreed to buy certain tonnages of locally grown wheat. Present consumption of local wheat is about 30 per cent

of the total. The mills are at liberty to extract flour at whatever rate suits their trade. A "deficiency payment" scheme for cereals will come into operation for next year's harvest to subsidize home production.

On September 26 sugar came off the ration. Subsidies have been dropped; so have consumer price controls. The remaining responsibilities of the Ministry of Food for the export trade in refined sugar will be returned to the trade in January. When the Government will withdraw from the bulk purchasing of sugar is hard to predict, because it supports the price of domestic and Commonwealth supplies. There will be technical difficulties to overcome in ensuring that these supplies are fully taken up in competition with free market sugar.

Of the other foodstuffs decontrolled since the beginning of the year, starch and glucose and linseed oil are of particular interest from the standpoint of import licencing. Private firms may import starch and glucose from dollar sources in relation to their purchases from soft currency sources, and linseed oil at the rate of one ton for every two tons purchased from government stocks.*

—R. CAMPBELL SMITH
Commercial Secretary for Canada

* From November 15 one ton for each ton purchased from government stocks.

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Winnipeg, November 23 and Vancouver, December 1-11.

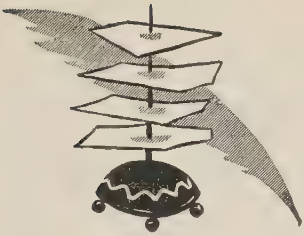
R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Montreal, November 23-December 4.

Businessmen in the various centres may get in touch with these officers through the following organizations:

Board of Trade—Montreal.

Canadian Manufacturers Association—Winnipeg.

Department of Trade and Commerce—Vancouver (355 Burrard St.).



General Notes

AUSTRALIA

Licensing TV—According to evidence given before the Royal Commission on Television in Melbourne, over 80 applications have been received for TV broadcasting licences. An official of the Australian Broadcasting Control Board said that a table model television set with a 12-inch screen suitable for use in Australia would cost about £125. The technical standards adopted for Australia provide for the development of colour transmission—Melbourne, Oct. 16.

Uranium Development—South Australia has set aside £3,096,000 for the development of uranium production, the South Australian Premier states. He said the Export-Import Bank and the British Ministry of Supply would provide £2,318,000 of the money for uranium development and the remainder would be given by the State for working capital for the Radium Hill project—Melbourne, Oct. 14.

BRAZIL

Exports Lower—The value of Brazil's exports dropped 8 per cent in the first seven months of 1953, compared with the same period of 1952 and totalled 2·2 million tons, valued at Cr.$13·4 billion. Ten products comprised 91 per cent of the country's total exports by volume, against 70 per cent the previous year. By value, the ten leading exports were: coffee, 70 per cent; cocoa, 4 per cent; cotton and pinewood, 3 per cent each; raw wool and sugar, 2 per cent each. Iron ore, cocoa butter, tobacco and carnauba wax had quotas varying between 1·6 per cent and 1 per cent of the total value. Three products—rice, sisal and bananas—which were listed among the top ten exports from January to July last year, were not on this year's list—Rio de Janeiro, Oct. 27.

SCOTLAND

Flax Industry Depressed—General trading conditions in the flax industry have now reached the point where certain sections are almost at a standstill for lack of orders. Many of the fabrics which the industry produced in large quantities for the Government during and since the war are now no longer required to the same extent. The industry is faced with the problem of recapturing lost markets and discovering new ones—a formidable task in view of today's many quotas, currency restrictions and import duties—London, Nov. 2.

SOUTH AFRICA

Import Permits for Motor Industry—The South African motor industry has received preliminary advance import allocations for the first half of 1954 totalling just over £10 million. This preliminary allocation represents 50 per cent of 1953 imports and, according to practice, the import control authorities will announce the remainder early in 1954. If overseas factory prices remain at present levels, the motor industry expects that about 17,000 motor cars, 5,000 commercial vehicles and 1,300 motorcycles will be imported in the first half of next year.

The motor industry's import permits cover motor cars, commercial vehicles, motorcycles, spares and accessories, and garage equipment—every type of automotive import except heavy capital equipment required in the industry itself—Johannesburg, Oct. 20.

SWEDEN

Grants for Business Students—The Swedish Government is granting from 2,000 to 5,000 kronor each year to young men with a commercial education who wish to study commerce and business methods abroad. Recently, the Government granted an additional 50,000 kronor to the original total grant of 25,000 kronor, to be used exclusively for studies in the dollar area—Stockholm, Oct. 26.

UNITED KINGDOM

International Non-Ferrous Metals Organization—At a recent meeting in Amsterdam, representatives of ten Western European countries, including the United Kingdom, formed the International Wrought Non-Ferrous Metals Council. This Council has been established for the international exchange of industrial information, and to provide a fully representative body capable of speaking for the whole of the Western European industry.

A secretariat will be formed and among its duties will be the development of world statistics of non-ferrous metals—London, Nov. 3.

UNITED STATES

Industrial Development—Investments in industrial plants in the Chicago area totalled \$12·3 million in July, compared with \$32·2 million in July 1952. Total investments for the first seven months of 1953 stood at \$86·5 million, compared with \$106·9 million in the same period of 1952. These figures include expenditures for the construction of new industrial plants, expansion of existing buildings, and the acquisition of land or buildings for industrial purposes—Chicago, Nov. 5.

WEST GERMANY

Debt Liquidation—The London Debt Agreement governing the liquidation of 14·45 billion DM. of debts became effective September 16, 1953. The first instalment transferred amounted to 189·3 million DM.; the dollar area's share was 73·6 million DM., and the EPU area's, 115·7 million—Bonn, Oct. 29.

Jordan and Its Trade

CAIRO—Business in Jordan has not improved during the last eight months. Merchants have not sufficient liquid funds and another poor harvest has contributed to the general shortage of money. The good harvest in 1952 provided a small surplus of certain grains for export but this year the Government will have to import wheat to cover the country's needs until the 1954 harvest.

The Government has fixed Jordan's import program for the year 1953 at £11 million, of which £750 thousand is for essential imports from hard currency areas. Although the total import allocation has increased since 1952 (£10 million), the Government has now abolished the system of unlicensed imports against the payment of fines.

Dollar Allocations

The following table gives details of Jordan's hard currency allocation for the second half of 1953.

Commodity Group	Allocation (in Jordan dinars) *
Colonial goods (Mal Kaban)	1,000,000
Textiles	450,000
Building materials	350,000
Fuel oils	600,000
Asphalt	100,000
Pharmaceuticals	100,000
Agriculture	100,000
Industry	325,000
Government	250,000
Foodstuffs	125,000
Live animals	100,000
Dates and date syrup	60,000
Motor cars	30,000
Motor car spare parts	75,000
Tires	100,000
Mineral oils	50,000
Second-hand clothing	30,000
Novelties	50,000
Shoes	20,000
Shoe requisites	30,000
Electrical equipment	100,000
Household appliances	40,000
Book stores and stationery	58,000
Printing presses	25,000
Newsprint	5,000
Newspapers and magazines	3,000
Miscellaneous	30,000
Miscellaneous manufactures	25,000
Cinema films	10,000
Transport vehicles	80,000
Development Board and Point IV	75,000
Alcoholic drinks	20,000
Clocks and watches	15,000
Photographic equipment	15,000
Carpets, etc.	25,000
Arms and ammunition	5,000
Matches	5,000
Cigars, tobacco and tombac	5,000
Total	4,486,000

* One Jordan dinar equals one pound.

The Government's plan to abolish import licencing and importers' quotas may mean reduced imports because many of the smaller importers would then no longer feel impelled to import against their quotas. Imports of private motor cars have been prohibited since the end of 1952, and radios and refrigerators do not appear in the current six months' program.

Jordan continues to rely on foreign aid to pay for the great bulk of her purchases which, in 1952, amounted to £17,320,000. Exports and re-exports totalled £1,532,807. Phosphates are the leading export: 13,700 tons were exported during the first six months of 1952, mainly through Beirut.

Plans are in hand to provide facilities at the Port of Aqaba to handle exports of phosphates and the unloading of imported goods. These improvements, when completed, are expected to lower the cost of imported goods because the long land haul will be considerably shortened.

Trade with Canada

In 1952, Canadian exports to Jordan totalled Can.$105,420. The main items were:

	(in Canadian dollars)
Pneumatic tires for trucks and buses	5,058
Milk powder, skimmed milk	58,500
Gas engines and parts	12,096
Auto parts	26,314
Asbestos brake lining	1,239
Total	105,520

Canada's exports to Jordan during the first seven months of 1953 amounted to $25,997, with automobile parts ($17,457), aluminum in primary forms ($2,188) and gas engines and parts ($4,400) the main components.

Slow but steady progress is being made in development projects. Among the more important, either under construction or being considered, are a new cement factory, which is expected to come into production in November, road and rail communications, the extension of the airports at Amman and Jerusalem, the expansion of the port of Aqaba already mentioned, and the exploitation of mineral resources, particularly phosphates. The largest single project is the proposed dam on the Yarmouk River to supply power and water for irrigation. The United Nations Relief and Works Agency has reserved up to $40 million for this dam.

—W. H. Hopper
Office of the Canadian Government Trade Commissioner

Tour of Territory

M. B. Palmer, Canadian Government Trade Commissioner in Kingston, Jamaica, will visit British Honduras during the week of December 7th. Exporters interested in this area are invited to get in touch with Mr. Palmer. It should be remembered that, under the sterling exchange restrictions, new business outlets for Canadian products cannot be developed at this time. However, contacts for the future may be made.

Trade and Tariff Regulations

BELGIUM

New Import Restrictions—Effective October 15, some imports into Belgium-Luxembourg were made subject to import licence regardless of their origin.

The following, among the goods affected, are included in the Belgian free list of dollar imports, and licences for their import from Canada should, therefore, be granted as freely as from non-dollar countries: preserved mushrooms, cosmetics not containing alcohol, flax or ramie yarns, and electric starting, lighting and signalling apparatus for motor vehicles and cycles.

In addition, the following commodities are now restricted when imported into Belgium-Luxembourg from countries outside the dollar area, while they remain under a quota when coming from dollar countries: printed unfigured cotton fabrics; colouring materials derived from coal tar; air pumps, compressors, ventilators and similar machines; and mountings for spectacles and eye-glasses—Brussels, Oct. 28.

CHILE

Sunglasses and Other Optical Items Eliminated from Chilean List of Prohibited Imports—The following optical goods have been eliminated from the Chilean list of prohibited imports and are now included in those imported at the free banking rate of exchange of 110 pesos per U.S. dollar:

Frameworks of metal or combined material for spectacles, of a manufacture definitely distinct from those made in Chile; optical lenses, white and of graduated absorption for bifocal or combined use, of types not manufactured in Chile, and semi-finished of 3 to 12 mm. thickness for the manufacture of combined lenses of high dioptric and of infrequent use; spectacles with dioptric force and absorption spectacles (for the sun) with optically cut and polished lenses; celluloid spectacle frameworks; optical glass blanks and of absorption with graduation.

GREECE

Imports of Super-Luxury Items Relaxed—When, by measures taken in April and July, Greece freed imports from practically all countries, including Canada, a dozen items remained on the prohibited list. As a result of the favourable trend of the balance of payments since then,

the Greek Government has now relaxed, for the first time in many years, imports of previously prohibited super-luxury items. By a new decision of the Greek Ministry of Commerce, imports of these special items may now be effected as from November 16th on a quota basis. Items included which are of possible interest to Canadian exporters are furs and pelts, gold and silver and articles thereof, and fabrics and articles of artificial silk. Only wheat and flour are now prohibited—Athens, Oct. 30.

NEW ZEALAND

Dollar Import Licences—The New Zealand Department of Customs has announced that the following goods from Canada or the United States will be granted import licences in 1954, on the basis indicated:

Printed books, papers and music	—100 per cent of 1953 licences
Adding and compiling machines and parts	—100 per cent of 1953 licences
Cash registers and parts	—100 per cent of 1953 licences
Engines specially suited for motor vehicles	—100 per cent of 1953 licences
Tacks (Canada only)	—100 per cent of 1953 licences
Specified artificers' tools	—100 per cent of 1953 licences
Service parts of motor vehicles	—100 per cent of 1953 licences
Wooden handles for tools	— 50 per cent of 1953 licences
Sausage casings of animal origin	— 75 per cent of 1953 licences

Details of the artificers' tools permitted entry under that category may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

PHILIPPINES

Duty Free Imports for New and Essential Industries—Regulations dated August 17 and August 20, 1953, have been issued by the Secretary of Finance, pursuant to section 11 of Republic Act No. 901, authorizing tax exemptions to "new and necessary industries" in the Philippines. The regulations state that in the case of machinery or raw materials and supplies to be imported and to be exclusively used in the manufacture of the articles covered by the exemption, application may be made for the withdrawal of such items from customs custody free of internal revenue taxes and customs duties.

A "new" industry is described as one not existing or operating on a commercial scale prior to January 1, 1945, and various criteria have been set up whereby it can be determined whether an industry is "necessary" to the economy of the Philippines. If an industry qualifies, it will be exempt from all internal revenue taxes, special excise tax on foreign exchange, customs duties and all other taxes imposed by the Government until December 31, 1958, after which the exemptions will be reduced every year until they are finally eliminated on December 31, 1962.

UNITED KINGDOM

Certain Controls Relaxed—Relaxations in United Kingdom import restrictions announced on November 12 include the following affecting imports from the dollar area.

Alfalfa meal, lucerne meal, and dried spent hops are added to the list of goods on World Open General Licence. The effect is that from November 13 imports of these commodities will be permitted, from any source, without the formality of applying for an import licence.

A quota of £875,000 for imports of bladders and casings from Canada, the United States, and Guatemala has been established for the first half of 1954. Importers have been invited to apply for licences, which will be valid for imports from any of the three countries. It is expected that this figure will permit imports from the quota countries at or slightly above the value of current imports.

Timber is freed from internal restriction regarding acquisition, supply and use as of November 13. There is no change in the import arrangements for softwood, which is already on Open Individual Licence from all sources and can therefore be freely imported.

UNITED STATES

Tariff Commission Investigation into Imports of Fluorspar (Acid Grade)—According to *U.S. Federal Register* of November 4, 1953, the United States Tariff Commission instituted an investigation on October 29th to determine whether fluorspar containing more than 97 per cent of calcium fluorspar, provided for in paragraph 207 of the Tariff, is, as a result of the concession granted thereon under the General Agreement on Tariffs and Trade, being imported into the United States in such increased quantities as to cause or threaten serious injury to the domestic industry producing competitive products.

The application filed by the Ozark-Mahoning Company of Tulsa, Oklahoma, and others, in this case is available for public inspection at the office of the Secretary, U.S. Tariff Commission, Washington, D.C., and in the New York office of the Tariff Commission.

The present U.S. duty on acid-grade fluorspar is $2.10 per long ton.

Flammable Fabrics Prohibited—United States Public Law 88 of the 83rd Congress, known as the "Flammable Fabrics Act", prohibits the introduction or movement in interstate commerce of articles of wearing apparel and fabrics which are so highly flammable as to be dangerous when worn by individuals.

Section 9 of the Act may be of interest to Canadian exporters in that it provides that "any person who has exported or who has attempted to export from any foreign country into the United States any wearing apparel or fabric which . . . is so highly flammable as to be dangerous when worn by individuals may thenceforth be prohibited by the (Federal Trade) Commission from participating in the exportation from any foreign country into the United States of any wearing apparel or fabric except upon filing bond with the Secretary of the Treasury in a sum double the value of such products and any duty thereon, conditioned upon compliance with the provisions of this Act".

The Act becomes effective July 1, 1954.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02236.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Nov. 12*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1304	
		Basic buying	·1956	
		Preferential selling	·1956	(1)
		Basic selling	·1304	
		Free	·07041	
Austria	Schilling		·03762	
Australia	Pound		2·1990	
Belgium Luxembourg & Belgian Dependencies	Franc		·01964	
Bolivia	Boliviano	Official	·00515	
British West Indies	Dollar		·5727	(3)
	Pound		2·7488	(4)
	Dollar	Brit. Honduras	·6871	
Brazil	Cruzeiro	Official selling	·05197	
		Effective buying	·03448	(5)
		Coffee buying	·04187	
Burma	Kyat		·2054	
Ceylon	Rupee		·2062	
Chile	Peso		·00889	(1)
Colombia	Peso	Basic	·3913	
Costa Rica	Colon	Official	·1742	(6)
		Free	·1473	*
Cuba	Peso		·9781	tax 2%
Czechoslovakia	Koruna		·1358	
Denmark	Krone		·1416	
Dominican Republic	Peso		·9781	
Ecuador	Sucre	Official	·06521	(7)
		Free	·05618	
Egypt	Pound		2·8087	
Fiji	Pound		2·4764	
Finland	Markka		·00425	
France	Franc		·00279	
French Africa	Franc		·00559	
French Pacific	Franc		·01537	
Germany	D Mark		·2329	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9781	
Haiti	Gourde		·1956	
Honduras	Lempira		·4891	
Hong Kong	Dollar	Free	·1639	*Oct. 30
Iceland	Krona	Official	·06006	
		Special buying	·04624	
		Special selling	·03726	
India	Rupee		·2062	
Indonesia	Rupiah	Basic	·08580	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Nov. 12	Notes (See below)
Iran	Rial	Official	·03033	*
		Certificate	·01016	*
Iraq	Dinar		2·7388	
Ireland	Pound		2·7488	
Israel	Pound	Basic	2·7388	
		Investment	·9781	(9)
Italy	Lira		·00157	
Japan	Yen		·00272	
Lebanon	Pound	Free	·2991	
Mexico	Peso		·1131	
Netherlands	Guilder		·2574	
Netherlands Antilles	Guilder		·5187	
New Zealand	Pound		2·7488	
Nicaragua	Cordoba	Effective buying	·1482	(10)
		Official selling	·1387	
		With Surcharge I	·1215	
		With Surcharge II	·09732	
Norway	Krone		·1369	
Pakistan	Rupee		·2956	
Panama	Balboa		·9781	
Paraguay	Guarani	Basic	·06521	(1)
		With Surcharge I	·04657	(11)
		With Surcharge II	·03260	
Peru	Sol	Certificate	·05440	
Philippines	Peso		·4891	tax 17% (2)
Portugal	Escudo		·03414	
El Salvador	Colon		·3913	
Singapore & Malaya	Straits dollar		·3207	
South Africa (Union of)	Pound		2·7488	
Spain & Dependencies	Peseta	Basic buying	·04466	
		Basic selling	·08717	
		Basic commercial selling	·05955	(1)
		Free	·02483	
Sweden	Krona		·1891	
Switzerland	Franc		·2276	
Syria	Pound	Free	·2756	*Oct. 15
Thailand	Baht	Official	·07825	(1)
		Free	·05262	*Sept. 30
Turkey	Lira		·3493	
United Kingdom	Pound		2·7488	
United States	Dollar		·9781	
Uruguay	Peso	Official	·6439	
		Basic buying	·5495	
		Special buying	·4162	(1)
		Basic selling	·5148	
		Special selling	3992	
Venezuela	Bolivar		·2920	(12)
Yugoslavia	Dinar		·00326	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

NOVEMBER 28, 1953

How's Business in Trinidad? (page 2)

foreign trade

OL. 14 OTTAWA, NOVEMBER 28, 1953 NO. 361

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Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

How's Business in Trindad?

With production and exports rising, the colony has achieved a favourable trade balance, removed some controls. But restrictions on many dollar goods remain.

PORT OF SPAIN—The year 1953 is proving a prosperous one for Trinidad. Buoyant exports, further industrial development, and the steady removal of economic controls all contribute to the bright picture. The only dark spot is the continuing of controls against imports from hard currency countries.

During the first seven months of 1953 Trinidad had a large favourable balance of trade, a pleasant contrast to the unfavourable balance for the same period last year. The change stemmed from increased exports of petroleum and agricultural products and from a drop in imports.

The Trade Picture

For the first seven months, Trinidad's exports reached BWI$157 million. Two-thirds of this represented sales of petroleum products; the other principal items were sugar and cocoa. The sterling area took more than half these exports, followed by OEEC countries, North America and Brazil.

Imports during the same period amounted to BWI$129 million. Most of them were manufactured goods, but crude petroleum accounted for BWI$38 million, and foodstuffs for BWI$23 million. Principal sources of imports were the sterling area, 45 per cent; Venezuela (chiefly crude oil), 27 per cent; and North America, 17 per cent, with the United States leading Canada by a slight margin.

Dollar Imports Still Restricted

The continuing shortage of hard currency has forced the Government to maintain its import restrictions against dollar countries. However, the British West Indies Trade Liberalization Plan remains in operation and means that a considerable range of products from Canada and the United States can enter the colony. Outside the Plan, very few imports from North America are allowed. Goods under World Open General Licence, however, may be freely imported from any source. The list includes dried, smoked, pickled and salted fish; kraft paper and newsprint; basic forms of steel, copper, zinc and nickel. Some animal feedstuffs and poultry feeds are allowed in from North America under a system of quotas given to importers and farmers. And import permits are granted under the Controller's dollar program for such essentials as flour, lumber, pickled meat, condensed milk, onions and potatoes, whenever these cannot be obtained from soft currency countries.

The termination of most price controls, subsidies and government bulk purchasing has proceeded in the last ten months in orderly stages. To date, more than 95 per cent of price controls have been dropped.

Products remaining under price control are several ones of local origin, in addition to a list of imports—corned beef, salted beef, flour, frozen meat, condensed milk, rice, cement, lumber, and corrugated sheets of aluminum or steel. The price controls on meat and milk will probably be removed shortly. In spite of decontrol, prices have remained quite steady.

Bulk Purchasing Decreases

Much of the Government's bulk purchasing ended during the year, as importing was returned to private trade. The commodities dropped were cooking butter, pickled pork, condensed milk, corned and pickled beef. Import licences for these commodities will be issued to private traders as soon as government stocks have been used up. However, the usual dollar import restrictions remain. Thus at the time of writing the only commodities still being purchased in bulk are flour and rice. Some circles believe that the trade is happy to have the Government continue to handle flour imports and thus carry the burden of capital financing and risks.

The termination of price subsidies has followed the other decontrol measures. So far this year, a further six foods have been dropped from the subsidy list; only flour and rice remain. The amount of the flour subsidy varies, because the Government purchases flour abroad at world prices and sells it to the local trade at a fixed price. The only item now rationed to consumers is rice and each person is entitled to one pound a week. British Guiana is the principal source, although some is grown locally.

Oil and Agriculture Prosper

Trinidad's oil industry continues a slow expansion, although production is now only one-third that of Canada. Drilling activity this year is about 25 per cent ahead of last year, with British, American and Canadian companies taking part. Some interest is developing in the possibility of subterranean oil deposits under the Gulf of Paria. The actual production of crude oil and natural gas is slightly greater than last year. Production of asphalt at the natural pitch lake is somewhat smaller than in 1952.

Agricultural crops have been good. Cocoa pickings for the crop year just ended are estimated at 21 million pounds, an increase of eight million pounds over 1952. Prospects for next year's crop are described as fair. Over a longer term, the Government's cocoa rehabilitation scheme—which furnishes the growers with more productive plants and free fertilizers—should push up production. Canada has been buying substantial quantities of Trinidad cocoa this year.

Production of sugar for the first half of the year reached 152,600 tons, compared with 137,400 tons during the same period of 1952. Sugar producers are pleased with the prospect of a continuing assured market as an outcome of the World Sugar Conference held in London during August.

Exports of coffee, which are made during the first half of the year, exceeded 20,000 cwt., with a record value of over BWI$1·7 million. Prospects for next year's coffee crop are good, with heavy flowerings of both the Arabica and Robusta types.

Shipments of canned citrus juices also increased sharply. The Co-operative Citrus Growers Association produces both orange juice and orange-grapefruit juice mixtures.

More Industrial Development

Trinidad leads the eastern Caribbean area in industrial development and the influx of new companies continues at a slow but steady pace. Since the colony passed its "Aid to Pioneer Industries" ordinance in 1950, 31 manufacturers have been declared "pioneer" and have become eligible for tax and customs exemptions. During the first half of 1953, ten such pioneer manufacturers were certified—makers of paint, pharmaceuticals, polishes, cast iron soil pipe, brass and copper fittings, electrical conduits, and dry ice, and companies carrying on metal spraying and the re-rolling of steel.

The new paint factory is just beginning production and output is expected to reach 30 tons a week. More than 40 varieties of paint products will be made. A second important industrial unit—an $8 million cement plant—will be in operation early next year with a capacity of 100 tons of cement an hour. The only raw material which must be imported is gypsum, which comes from Jamaica. Capital from the United Kingdom is behind these two ventures.

In spite of these successes, Trinidad's pioneer industry laws have been criticized in a report just issued by an official U.K. industrial mission which visited the colony a year ago. The report says the present laws are cumbersome and ineffective. It advocates in their place a system of accelerated depreciation on all new plant and equipment, whether original or replacement, and regardless of whether the plant is considered "pioneer". This suggestion is still being discussed in the colony.

There have been no serious strikes during the year and labour relations have been reasonably good. Wages have continued to rise. During the year, workers in such fields as oil, asphalt, sugar, coconut oil, public utilities, air transport and shipping have received wage increases and other concessions.

Transportation Services

The *Lady* boats, which were withdrawn from service by the Canadian National Steamships last year, are still missed in the eastern Caribbean area but already a number of new sea and air services have begun calling at Trinidad.

Early in the year, Air France resumed its service to the colony. Recently BOAC inaugurated a weekly service between Port of Spain and London, via New York. Ocean cargo services with the Far East have improved, with a Japanese shipping line operating between China, Japan, and Trinidad via Los Angeles, and another line operating from New Zealand to Trinidad and Barbados and on to London. In addition, the British West Indian Colonies are planning to improve inter-island freight and passenger traffic by establishing a subsidized steamer service.

—R. R. Parlour

Assistant Canadian Government Trade Commissioner

Canadian Iron Makes Japanese Steel

Iron ore from the West Coast now moves to Japan to supply the expanding steel industry.

TOKYO—Within the last three years, Japan has become an important market for Canadian iron ore and the indications are that demand from this source will continue for some time. The Japanese have estimated their requirements of iron ore for the 1954-55 fiscal year at $5\frac{1}{2}$ million metric tons, about 4·2 million to be bought from Southeast Asian and Far Eastern countries and the remaining 1·3 million from Canada and the United States.

The Japanese steel industry has been almost completely reorganized since the end of the war and output has risen steadily—from slightly over 500 thousand metric tons in 1946 to 4·8 million in 1950 and nearly seven million in 1952. At the current monthly rate of production, it should reach $7\frac{1}{2}$ million tons this year. One difficult problem remains to be solved—the high production costs which make it hard for Japan to compete with leading world steel producers. This fact has kept Japanese steel exports below the hoped-for levels, but plans are going forward to modernize plant facilities to ensure sales abroad of about 1·2 million tons of steel products a year. Because Japan must import iron ore, coking coal, and substantial quantities of scrap, efficient production is the key to lower costs.

Sources of Supply

The industry draws its iron ore supplies mainly from Asian countries; in 1954-55, it expects to purchase from the following:

Philippines	1,800,000	metric tons
Malaya	1,000,000	" "
India	600,000	" "
Goa	600,000	" "
Hong Kong	120,000	" "
South Korea	100,000	" "

Canada did not enter the supply picture until 1951, when the Japanese bought 113,364 short tons of Canadian iron ore. The next year, these purchases rose steeply to 794,311 short tons, valued at $5,546,000. In fact, that year Japan ranked as Canada's second most important market for iron ore, outclassed only by the United States. Rate of exports to Japan this year is running about 10 per cent above last, with shipments for the first six months totalling 422,199 tons, valued at $3,154,269.

This Japanese demand for Canadian iron ore has opened up the deposits on Vancouver Island and other tidewater locations. The price, when the ore has been shipped in Japanese vessels, has been competitive with Asian suppliers and the quality acceptable, though the Canadian product is not as high in fe as Malayan ore. Because prospects of obtaining iron ore from prewar suppliers now under Chinese domination are slight, Canada should continue to be a logical and important source of raw material for the Japanese steel plants.

—J. C. Britton

Commercial Counsellor for Canada

The Rice Grower and His Markets

Certain sections of the U.S. produce sizable rice crops, largely for export, using methods far removed from Far Eastern practice. Canada is major buyer of U.S. rough rice.

NEW ORLEANS—Though rice is not a major United States crop, it is important in certain sections, such as the Southwest and parts of California. Last year's production of 85 million bushels represented only a little over 1 per cent of total world production of 7·6 billion bushels. With a per capita consumption of 6·13 lb., compared with 250 to 400 lb. per capita in the Far East, the United States produced much more than it consumed and over 60 per cent was exported. Canada is maintaining its position as the best American customer for rough or paddy rice, taking 87 per cent of total U.S. exports, (see table below) and also buying substantial quantities of milled rice.

U.S. Exports of Rough Rice

Year August 1-July 31	To Canada (in cwt.)	Total Exports
1947-48	786,790	802,009
1948-49	673,741	679,749
1949-50	668,210	912,007
1950-51	436,481	468,691
1951-52	415,840	470,841
1952-53	586,284	672,661

Brought to South Carolina

Rice is not indigenous to the United States. The story is that it was brought to South Carolina in 1694, when a ship sailing from Madagascar took refuge in Charleston during a storm. The captain left some rice with the Governor and the first commercial production of rice in America thus began. Later it expanded into North Carolina, Georgia, Alabama, Mississippi and Florida. The Civil War was the beginning of the end for rice-growing in the Carolinas and neighbouring states and production shifted to the valley of the Mississippi, Texas and Arkansas. Since 1908, it has been grown commercially in the Sacramento Valley, California. The principal producing states are respectively Texas, Louisiana, California, Arkansas and Mississippi.

In Louisiana the recognized rice capital is the town of Crowley, where the International Rice Festival has been held every year since 1937. At this Festival, the latest machinery for and methods of rice farming are demonstrated and discussed. The developments in these fields have been startling when compared with the traditional way of planting and harvesting rice still carried out in the Orient. Rice is farmed in the U.S. extensively rather than intensively as in the Orient.

Many rice fields in the southern U.S. are planted in an unusual way—by broadcasting the seed from low-flying aircraft, usually on ground already flooded. Above, a Beaumont, Texas, field is being sown.

In the Far East, rice usually is sown in carefully prepared beds and the seedlings transplanted when six to eight inches tall into fields which are kept saturated with water. The Oriental planter stands in the mud and sets the plants six to eight inches apart in each direction. The field is kept flooded until the plants are a foot or more high. Then the water is drained off and the crop is hoed. The land is then flooded again until about ten days before harvest. The rice is reaped by hand, bundled, dried, and the grain removed by pounding the heads against logs or by driving cattle over it.

The American rice farmer prepares his ground in much the same way as for a wheat or barley crop—by ploughing, harrowing, and making the proper seed bed. However, because rice fields must be kept evenly flooded, the rice farmer must also level his land and prepare it for flooding. Rice is seeded in two ways in the United States. A grain drill is used on small farms; on the big farms, the most common method is broadcasting rice from low-flying aircraft. This latter method can be used on dry fields or, as in California and increasingly in the South, on fields already flooded. The fields are kept flooded until about ten days before harvest, when they are drained off. The soil then hardens and the harvesting machinery comes in. The old-fashioned binder-thresher is being rapidly replaced by the high speed combine-dryer. Crops are rotated; where rice was planted one year, cattle are allowed to graze the next year on the stalks of rice left by the cutter.

World War II had a marked effect on the production of rice in the United States. When Japan over-ran many of the rice-producing countries in Asia, exports of American rice rose. Last year's crop was twice as large as those produced before the War. Three million pockets (hundredweight) of milled rice were exported in 1939-40 and 17 million in 1951-52. Average exports for the years 1946-50 were 9,507,026 pockets; exports immediately before World War II averaged 2,213,640 hundredweight a year.

The marketing of rice is both simple and efficient. The producers or farmers sell their rice directly to the 75-odd mills strategically located in the producing areas. The millers do the grading and packaging of the rice and its by-products and, through brokers, distribute the rice to jobbers, chain stores, food processors and export markets. Although the United States only grew slightly over 1 per cent of the total world production of rice, it has the largest number of commercial rice mills of any producing country. The rice industry must rely heavily on foreign markets to survive and the world shortage of dollars has made things difficult for rice exporters.

—C. O. R. Rousseau

Vice-Consul of Canada and Assistant Trade Commissioner

—UNKRA Photo.

The lumber being swung into the hold of M.S. "Korea" in Vancouver harbour is destined for Korea, where it will be put to good use in the rehabilitation program. The United Nations Korean Reconstruction Agency recently purchased a full cargo of Canadian lumber.

FAIRS and EXHIBITIONS

Fish in Manhattan

THROUGHOUT NOVEMBER, the Canadian Showroom at Rockefeller Centre has featured fish—from the utilitarian cod and haddock to lake trout and lobster, sardines and Pacific salmon. The display, sponsored by the Department of Trade and Commerce, brought together products from 25 leading fish processors or packers in seven of Canada's provinces.

Two frozen food refrigerated units, provided by the New York agents of certain Canadian suppliers, made it possible to display both fresh and frozen fish, in addition to other varieties. The Department of Fisheries furnished charts and pictures illustrating our fisheries resources and literature for interested visitors. And an attendant at the exhibit stood ready to answer questions and to supply U.S. importers with the names and addresses of Canadian firms able to supply their needs.

Exhibiting in Spain

NEXT YEAR, Spain expects to hold two international trade fairs —at Valencia in May and at Barcelona in June. Canadians interested in importing into Spain samples and goods to be displayed at these fairs must apply for licences before December 31, 1953. They should address their applications or requests for further information to Comisaria General de Ferias y Exposiciones, Calle de Recoletos 15, Madrid.

Manchester Shows Textile Machinery

THE INTERNATIONAL TEXTILE MACHINERY EXHIBITION at Manchester, England, closed on October 24th after visits from 150 thousand persons. About 276 firms showed their products—218 from the United Kingdom and 58 from abroad, including the United States, Germany, France, Italy, the Netherlands, Belgium, Denmark, and Sweden.

Experience at the Exhibition disclosed some interesting trends:

- The textile machinery trade is becoming more competitive, with delivery periods down to five or six months and most firms quoting fixed prices. British manufacturers appear to feel that they would be in a stronger competitive position if they could grant extended credits, through either governmental or other credit agencies.

- Research has developed many new and more efficient machines, such as a fully automatic pirn winder, working at 12,000 r.p.m. and able to handle a considerable range of yarns.

● Plant and equipment for handling synthetic fibres was in the limelight. Two machines demonstrated a new process—taking a heavy denier tow of viscose nylon and other fibres and reducing it to a fine-spun yarn in one operation. One machine cut the filaments into staples and the other broke them.

Hong Kong Products on Display

ON DECEMBER 14th, the doors will open on the 11th Annual Exhibition of Hong Kong Products, arranged each year by the Chinese Manufacturers Union to show the range of products which the Colony produces. Last year the exhibit attracted over 800 thousand visitors, many of them from other countries. Members of the Union will be on hand to conduct overseas visitors around the exhibit and help them to make contacts.

Canadian firms interested in sending representatives to Hong Kong should write for further information or assistance with special problems to the Chinese Manufacturers' Union, 206 China Bldg., Queen's Road, Central, Hong Kong, or to the Trade Development Division, Department of Commerce and Industry, Hong Kong. Either of these offices will send a list of the products to be shown, arrange hotel reservations, or help in other ways.

Canadian Cattle Win Awards

CANADIAN-BRED HOLSTEIN-FRIESIAN STOCK carried off an impressive number of awards at the recent Animal Show held in Santiago, Chile. In the twelve categories for bulls, North American type, 25 prizes went to bulls of Canadian origin, including the Grand Champion, the Country's Champion, and the Junior Champion.

The Holstein-Friesian Association of Canada offered a trophy for the best animal, male or female, born in Chile of Holstein-Friesian stock imported from Canada. It was won by a bull named "Trans Rag Apple Inka Helbon".

Low-Cost Housing

INDIA, like many other countries, needs low-cost housing. Recognizing that other countries have made progress in solving some of their housing problems, the Government has planned an international forum where materials, equipment and techniques will be demonstrated.

This International Exhibition on Low-Cost Housing will be held from January 20-March 5, 1954, in New Delhi, on the site of the recent Railway Centenary Exhibition. This location provides a railway siding and adequate arrangements for water, light and power. Special licences will be granted for imports of building materials, machinery, tools and other equipment.

For further information, write the Ministry of Works, Housing, and Supply, Government of India, New Delhi.

Switzerland's Trade with Canada

A careful analysis of the trade between Canada and Switzerland in the first half of 1953 reveals exports to Switzerland down and imports up, and uncovers some significant trends.

BERNE—In the first six months of 1953, Canada sold to Switzerland goods valued at about $21 million (91 million francs), according to official Swiss statistics. This put Canada in eighth place as a source of Swiss imports. For three years, Canadian exports to Switzerland had been rising; in the first half of 1953 they fell by 9 per cent, compared with the $23 million of the corresponding period last year. Main factor seemed to be smaller Swiss purchases of primary metals. U.S. sales to Switzerland slumped much more seriously.

Canadian statistics tell a slightly different story. They put imports from Canada at $11 million for the first six months of 1952 and at $14 million for the same period of 1953. Because they do not take into account substantial indirect shipments, however, they are considered less significant than the Swiss figures.

Imports from Switzerland Rising

As a market for Swiss goods, Canada ranks relatively low, purchasing about 1·5 per cent of all Swiss exports. Compared with the first half of 1952, however, Canadian imports from Switzerland so far this year have risen almost one-third—from 35 to 44 million francs (or from about $8·1 million to $10·2 million). The trading ratio was roughly three to one in Canada's favour last year; now falling Canadian exports and rising Swiss imports have combined to reduce this ratio to approximately two to one.

Switzerland's Trade Balance with Canada

(millions of francs)

Trade	First Half Year 1950	1951	1952	1953
Imports from Canada	44	60	99	91
Exports to Canada	29	35	35	44
Swiss trade balance	—15	—25	—64	—47
Import-export ratio	3·2	2·1	3·1	2·1

Grains Play Leading Role

Grains represented 40 per cent of all Canadian sales to Switzerland during the first half of 1952; this year, grain shipments to date are shown by Canadian statistics to have risen from $3·4 million to roughly $8 million and constituted about 65 per cent of total Canadian exports to this country. The inclusion of indirect shipments in Swiss statistics sets grain imports for the first six months of '52 at over three times the Canadian figure and those for the current period as higher by only one-quarter, yielding an increase of roughly 5 per cent. These figures give grain a 47 per cent share in all imports from Canada during the first half

of 1952 and a 54 per cent share this year. Wheat made up the bulk of these shipments, but feed barley, at between 10 and 20 per cent of the total, was also of major importance.

IWA Quota Increased

As a member of the International Wheat Agreement, Switzerland estimates that she has saved a total of 44 million francs (about $10·1 million) in wheat purchases over the past four years. When she requested an increase of 75 thousand tons in her IWA quota of 175 thousand tons, Switzerland was granted about half this additional amount under the current agreement, bringing her new quota to 215 thousand tons (about eight million bushels). Canadian wheat is preferred here, and a contract has already been negotiated between the Canadian Wheat Board and the Swiss Federal Cereals Administration for September deliveries of 28,500 tons of No. 2 and No. 3 Manitoba Northern.

Canadian Exports to Switzerland by Commodity Groups

(in thousand dollars)

Commodity Group	First Half 1952 Value	First Half 1952 % of Total	First Half 1953 Value	First Half 1953 % of Total
Foods and Feedstuffs:				
Cereals	4,224	38·9	9,103	64·3
Processed foods	171	1·6	167	1·1
Sub-total	4,395	40·5	9·270	65·4
Raw Materials:				
Primary forest products	388	3·6	207	1·5
Primary agricultural products	446	4·1	393	3·1
Primary metals and minerals	3,397	31·3	1,893	13·3
Sub-total	4,231	39·0	2,493	17·9
Manufactures:				
Lumber, wood and paper	15	0·1	14	0·1
Textile products*	114	1·0	151	1·0
Rubber products	250	2·3	33	0·2
Chemicals and pharmaceuticals*	503	4·6	261	1·8
Metal and mineral products	75	0·7	26	0·2
Machinery and apparatus	1,103	10·2	1,749	12·3
Sub-total	2,060	18·9	2,234	15·6
Unclassified	169	1·6	155	1·1
Grand Total	10,855	100·0	14,152	100·0

—DBS statistics.

* Mainly manufactured.

Opportunities for Coarse Grains

Since the outbreak of the last World War, Swiss purchases of wheat have been controlled by the Federal Wheat Administration. This Administration sets an overall import quota, issues tenders to the trade, and allocates mill delivery quotas on the basis of prewar percentages. Under this system, wheat imports have come to be channelled for the most part through a few well-established importers, whose direct connections enable them to under-quote on large quantities and cover costs with only a fraction of the commission which independent agents require. Once able to cater to smaller buyers of wheat, commission agents and small

importers have had to turn increasingly to the free market for coarse grains and feedstuffs, barley in particular. This presents Canadian suppliers of these commodities who are interested in representation on the Swiss market with ample opportunities.

Automobiles and Raw Materials

Next to grains in importance this year, surprisingly, come imports of motor vehicles, valued at $1·5 million, about twice the figure for the corresponding half of 1952. An equal but opposite shift in primary copper sales transferred this commodity from second to third place at $783 thousand, followed by primary aluminum at $613 thousand, down 23 per cent. In rapidly descending order come other primary metals, valued as a group at $497 thousand (down by half); raw agricultural products at $393 thousand (down 10 per cent); and machinery and apparatus (excluding vehicles) at $202 thousand (down one-third). Processed food products remained fairly steady at $167 thousand; textile manufactures (chiefly cottons) climbed by one-third to reach $151 thousand.

The sharpest drop was in rubber manufactures, down by 85 per cent to $33 thousand, chiefly as a result of smaller tire and tube sales. Manufactures of metals and minerals also fell by two-thirds, spread fairly evenly through the group. The total value of manufactures shipped to industrial Switzerland exceeded $2 million in both periods reviewed—between 15 and 20 per cent of all imports.

Canadian Imports from Switzerland by Commodity Groups

(in thousand dollars)

Commodity Group	First 4 months 1952 Value	First 4 months 1952 % of Total	First 4 months 1953 Value	First 4 months 1953 % of Total
Foods and Beverages:				
Cheese	680	16·2	476	7·8
All others	8	0·2	19	0·3
Sub-total	688	16·4	495	8·1
Raw Materials:				
Primary chemicals	286	2·6	517	8·4
Primary textiles	1	....	143	2·4
Primary agricultural products	16	0·2	114	1·9
Sub-total	303	2·8	774	12·7
Manufactures:				
Precision instruments and apparatus	1,443	27·9	1,854	30·5
Machinery and appliances	1,457	28·1	1,557	25·6
Textile products	637	12·3	810	13·3
Chemicals and pharmaceuticals	239	4·8	184	3·0
Metal and mineral products	113	2·2	112	1·9
All other manufactures	259	5·0	207	3·4
Sub-total	4,148	80·3	4,724	77·7
Unclassified	23	0·5	90	1·5
Grand Total	5,162	100·0	6,083	100·0

—DBS statistics.

The Import Picture

Swiss-Canadian trade is largely specialized; for example, imports into Canada of Swiss machinery and precision instruments during the first four months of the year accounted for 56 per cent of all purchases,

almost exactly equivalent in relative importance to reciprocal shipments of Canadian wheat and coarse grains. At the same time, the dollar value of all imports from Switzerland over the years is generally insufficient to pay for Swiss imports of Canadian wheat.

As a group, precision instruments accounted for roughly one-third of all our imports from Switzerland. Included were watches, watch actions and parts, sales of which were up 23 per cent. In the machinery group, a marked rise in imports of marine equipment, machine tools and sewing machines outweighed a 75 per cent fall in purchases of textile machinery and electrical apparatus. The finished textiles group made appreciable gains, with cotton manufactures and hat braids and trimmings making up the bulk of imports. Chemical products showed a net decrease. Manufactures as a whole represented about 78 per cent of all imports, a slightly smaller share of the total compared with the previous period, despite an increase in value of over half a million dollars.

Raw material imports collectively more than doubled in value to win a 13 per cent share of the market. Primary chemicals, textiles and agricultural products were all important in this shift, because of larger sales of aniline dyes, synthetic staple fibres and animal bristles. A drop of almost one-third in cheese imports reduced the food products' former 16 per cent share of total imports to 8 per cent.

Characteristics of the Trade

It is interesting to note the distinctive nature of the trade between the two countries. As a market for Swiss goods, Canada absorbs relatively fewer manufactures and over twice the proportion of industrial raw materials bought by Switzerland's other customers. Some 65 per cent of Swiss imports from Canada consist of food and feedstuffs; only 25 per cent of her imports from other countries are in this category. Manufactures constitute over 40 per cent of all Swiss imports, but only 15 per cent of her purchases from Canada. Even in industrial raw materials, where Canada might be expected to hold her own with the rest of the world, Switzerland buys proportionately twice as much elsewhere as she does from Canada.

As an exporter to Switzerland, however, Canada has earned an enviable reputation for quality, dependability and sound trading practices. And she has succeeded in placing a wide variety of products in this discerning, almost fastidious, market.

—W. R. Hickman
Assistant Commercial Secretary for Canada

Tour of Territory

W. D. Wallace, Commercial Secretary for Canada in Djakarta, Indonesia, will visit Surabaya and the surrounding area of central Java during the week of January 11th. Businessmen interested in these areas should get in touch with Mr. Wallace at Djakarta as soon as possible.

Commodity Notes

BRAZIL

Cigarettes—Brazil's 1953 cigarette production is estimated at 2·27 billion packs, an increase of approximately 10 per cent over the 1952 figure of two billion—Rio de Janeiro, Oct. 29.

Sisal—Sisal shipped in 1952 from all Brazilian ports totalled 30,337 tons, with a total f.o.b. value of 250 million cruzeiros. Principal destinations were the United States, 16,224 tons; Germany, 4,672 tons; France, 3,720 tons; Canada, 1,335 tons. In 1951 the total quantity shipped was 57,389 tons at an f.o.b. value of 432 million cruzeiros—Rio de Janeiro, Oct. 23.

CUBA

Tobacco—The Cuban Tobacco Stabilization Institute has set production of sun-grown leaf tobacco at a maximum 800 thousand quintals (100 pounds) during the 1953-54 crop year. Twenty-seven banks, with the guarantee and under the supervision of the state bank (Banco Nacional de Cuba), have granted a loan of $6 million, at 5¼ per cent interest, to finance the purchase of the surplus remaining from the last crop—Havana, Oct. 26.

DENMARK

Sugar—The Danish sugar beet crop is expected to be extremely good, yielding somewhere between 325 and 350 thousand tons, as compared with 258 thousand tons last year. Domestic consumption is approximately 240 thousand tons a year. The International Sugar Agreement allows Denmark an annual export quota of 70,000 tons and this amount will now be offered to Norway and Sweden, in accordance with Denmark's trade agreements with these countries—Oslo, Nov. 7.

JAPAN

Automobiles—Japan will import up to 4,000 foreign automobiles during the six months ending March 1954. Imports are to be restricted to less expensive models and about half of the imported cars will be assembled in Japan—Tokyo, Oct. 22.

NORWAY

Timber—Because of the satisfactory timber production in the 1952-53 season of over seven million cubic metres, and the record production for the previous season of 10·3 million cubic metres, Norway's stocks of sawn and planed timber are 17 per cent larger than they were a year ago and the largest since the war. Stocks are said to be sufficient

to cover the demand even if house-building restrictions were removed. With the exception of mechanical wood pulp, all exports of timber and wood-refining products showed a marked increase during the first half of this year as compared with the same period of 1952. Exports of hewn and round timber and sawn and planed goods increased from 121,571 to 163,995 cubic metres, chemical wood pulp from 109,576 to 143,458 tons, paper and cardboard from 133,276 to 147,935 tons, and wallboard from 6,981 to 10,712 tons. Mechanical wood pulp exports declined by 27,239 tons—Oslo, Nov. 9.

PAKISTAN

Bicycles—The first large-scale bicycle factory in Pakistan, at Lahore, is producing 300 bicycles a month. Plans are to increase production to 1,000 a month. Nearly all components are Pakistan-produced—Karachi, Oct. 22.

SOUTH AFRICA

Mohair—A world record price for mohair of 252½d. was paid for a binned lot of super winter kids at the third mohair auction of the season in Port Elizabeth. The previous record price of 246d. was paid for super summer kids at the summer auctions earlier this year—Johannesburg, Oct. 20.

SPAIN

Dried Fruits—Exports of almonds during 1952 amounted to 20,000 metric tons and of hazel nuts to 5,000 metric tons. The main buyers were France, 5,000 tons; the U.K., 3,200 tons, and for lesser quantities, Switzerland, Germany, the United States, Sweden and Norway—Madrid, Nov. 10.

SWEDEN

Iron and Steel—During the first half of 1953, iron ore exports were somewhat less than for the same period last year—6·8 million tons against 7·1 million tons. Total exports of rolled and forged iron and steel have increased from 77,800 to 87,400 tons. On the other hand, exports of manufactured iron and steel goods have decreased from 26,200 to 20,000 tons.

Imports of iron and steel, as compared with 1952 when they were exceptionally large, have decreased from 494,900 to 265,300 tons and are now at a more normal level. Average annual imports in the last ten years were 265,500 tons.

Orders at the iron foundries, although they have decreased during the first half-year, are still relatively satisfactory. So far this year, iron prices both on the domestic market and abroad have fallen—Stockholm, Nov. 6.

TRINIDAD

Stock Feed—Stock feed will be made in Trinidad from the skins and pulp of citrus products. Production is scheduled for the end of the year at a rate of 2,600 tons a year; half will be consumed locally. Export inquiries have been received from neighbouring colonies and from Canada—Port of Spain, Nov. 2.

London Revives Its Fur Trade

Though the U. K. has not been able to re-establish the prewar free market in furs, the present trading scheme, explained below, has brought encouraging results.

LONDON—When the London fur market was revived in 1945, a substantial proportion of the international fur-skin business had begun to move to other centres. Before the war, because of transit trade in Russian furs, the London market was an important dollar earner, in spite of the fact that United Kingdom imports of furs and fur products normally exceeded exports.

In the postwar years, the United Kingdom's balance of payments position has prevented the complete re-establishment of a free market in furs on the old pattern. A scheme for trading has therefore had to be worked out to encourage, as much as possible, the re-growth of entrepôt operations in furs without creating a dollar drain.

How Trading Scheme Works

To begin with, fur skins from Russia, non-dollar and non-Soviet countries can be imported under Open General Licence. This means that the importer can bring in such skins without applying for import licences for individual shipments in the ordinary way.

For imports from Canada and other hard currency countries, a special scheme was devised. The object was to ensure that hard currency expenditures on raw fur imports are balanced—or more than balanced—by hard currency earnings from the export of furs—raw, dressed, or made up into garments. The scheme works in the following way:

- Exporters of fur skins (raw or processed) and of fur garments to hard currency areas obtain the right to import raw fur skins from hard currency areas. This right is known as a "quota". The value of the quota (representing the c.i.f. value of importable fur skins) is earned by the exporter at the following rates:
  - (*a*) One hundred per cent of the f.o.b. value of his raw fur-skin exports.
  - (*b*) Eighty to ninety-five per cent of the f.o.b. value of his exports of processed skins (the percentage varying according to the nature of the process).
  - (*c*) Seventy per cent of the f.o.b. value of his fur garment exports.

- Specific licences for the import of fur skins from Canada and other hard currency sources are also granted to importers who engage in consignment trade. In this case, however, the importer must either re-sell to an overseas buyer against payment in hard currency or to a United Kingdom buyer against "quota". The buyer is thus using hard currency

"quota" for the goods and is relieved of the obligation to re-export against hard currency. Thus the furs purchased against hard currency quota can either be exported to a soft currency country or used on the home market. This scheme is administered by the Fur Trade Emergency Committee and payment to the overseas shipper is permitted only after re-sale.

- Certain auction houses hold Open Individual Licences for imports from hard currency sources but, with the one exception mentioned below, the same rules apply to such imports as to consignment trading.

- The Canadian collection of one leading fur-trading company is outside the scheme. It is allowed to import without the surrender of "quota" except for skins sold for home market use in the United Kingdom.

Under the circumstances, the domestic United Kingdom market does not offer good prospects for Canadian fur exporters. The use of fur garments is restricted by the high rate of purchase tax and also by the regulations described above, in so far as Canada and other hard currency countries are concerned.

Nevertheless, since 1945 the London market has recaptured a good part of the international fur-skin trade that had begun to shift to other centres.

—R. Campbell Smith
Commercial Secretary for Canada

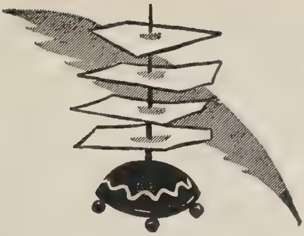
Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Vancouver, December 1-11.

R. P. Bower, Commercial Counsellor for Canada in London, completes his Canadian tour in Montreal, November 23-December 4.

Businessmen in these two cities may get in touch with these officers through the Board of Trade in Montreal, and the Department of Trade and Commerce, 355 Burrard St., in Vancouver.



General Notes

INDONESIA

Gift Packages—The Indonesian Post Office informs us that gift parcels sent to Indonesia which do not exceed 75 rupiahs in value are free from custom duties and import surcharges. Packages not exceeding 150 rupiahs in value are subject to customs duties but not to the import surcharges; packages valued at more than 150 rupiahs are subject to both customs duties and import surcharges. The import surcharges amount to 100 per cent or 200 per cent of the original value, depending upon the nature of the goods. The Post Office further states that there are no arrangements for regular parcel post shipments to Indonesia—Djakarta, Oct. 26.

NETHERLANDS

Feed Grain Producers Protected—The Netherlands Ministry of Agriculture has instituted a system of monopoly import duties to protect domestic feed grain producers against cheaper imported grains. Official minimum import prices per 100 kg. of grain have been set at 21 guilders for barley, 19·5 guilders for oats and 20 guilders for rye. When prices of imported grains fall below these, import levies will be imposed. These currently amount to 3·55 guilders per 100 kg. for imported rye, 1·55 guilders per 100 kg. for imported barley and ·55 guilders per 100 kg. for other imported grains.

Where domestic grains are exported, a system of restitutions has been adopted to assist in competing with foreign grains on the world market. Current restitutions for exports of domestic rye and barley are three guilders and one guilder per 100 kg. respectively—The Hague, Nov. 3.

UNITED STATES

Small Auto Firms May Join Forces—The nation's smaller auto companies, increasingly concerned about manufacturing costs, may soon join forces to eliminate some duplication of costly facilities. One current report is that they are considering the joint ownership of an engine plant. Another is that they may consider using the same basic body design and retain a distinctive appearance by adopting different fender lines and chrome work, both front and rear. As the design and production of engines and bodies represent a large part of the manufacturing costs of the independent car builders, it has been suggested that tremendous savings could be effected by consolidating these two phases of production—Detroit, Nov. 16.

West Germany

The Farmer Steps Up Production

With output up 11 per cent above prewar, German agriculture prospered in 1952-53. The good grain crop, however, may mean smaller imports of wheat and feed grains.

BONN—West Germany has had another bountiful harvest, setting a record for important crops such as grain and sugar beets. Farm prices have been cut back but these reductions have been held within narrower limits than the general reduction in prices of agricultural commodities on world markets. Grain imports will probably decline appreciably but, for most other commodities, requirements are expected to remain close to those of the past year. Better world food supplies and Germany's increasingly favourable balance of trade ensure that the desired food imports can be readily acquired. Although Germany's payments position has improved steadily over the past year, she continues to shift imports towards her direct trading partners and this reduces the proportion of foodstuff imports from the dollar area.

Domestic Production Good

During 1952-53, German agricultural production rose 11 per cent above prewar. Comparative annual production figures for major commodities were:

	1935-38 average	1951-52	1952-53	1953-54
		(in million tons)		
Grain	11·5	11·2	11·5	11·9
Potatoes	19·5	24·1	23·8	24·3
Sugar beets	4·3	7·3	6·6	8·0
Hay	....	27·1	21·9	24·8
Meat	1·9	1·8	1·9	....
Milk	14·9	15·7	16·1	....

The 1953 harvest for all principal field crops was excellent, almost entirely because of good weather. Total acreage seeded to grain increased less than 2 per cent; acreage of barley and mixed grain together was 14 per cent higher, compensated partly by a smaller area in wheat and particularly by a decrease in seeding of oats. The decrease in oats reflects the declining demand because of fewer horses. In 1953 bread grains yielded 6·64 million tons compared with 6·58 million the year before, and the feed grain crop totalled 5·29 million and 4·89 million tons respectively. Domestic feed supplies were further improved by the good potato and forage crop, thus providing an ideal basis for stepping up the production of the livestock and dairy industry. It is estimated that this year's sugar beet crop will produce at least a million tons of white sugar, compared with 806 thousand tons in 1952 and 955 thousand tons in 1951.

During 1952-53 milk production for the first time exceeded 16 million tons. The continuous upward trend since the war has been due both to an increase in the number of dairy cows and higher production per cow.

—German Tourist Information Office.

The checkerboard appearance of these farms in the Rhineland-Palatinate region of Germany, near the French border, results from the many small holdings common there. The fertile soil is well suited to growing grain.

In the future any increase will depend mainly on higher production per head. In 1952 average production per cow was 2,724 kg. The Danish average was about 3,300 kg., which demonstrates what can still be achieved. Good feed supplies add to the expectation of a slight increase in milk production during 1953-54. No marked changes in the amounts processed into butter and cheese are expected during 1953-54.

Meat Marketings

The rising trend in meat production has slowed down considerably and the present economic year may well see smaller domestic marketings. During 1952-53 the rate of increase was only 4 per cent, compared with 14·5 per cent between 1950-51 and 1951-52. The postwar rebuilding of cattle stocks is practically completed, with the total number of cattle expected to reach 12 million by the end of this year. The 1953-54 beef production has been forecast at 560-565 thousand tons, which is about 20,000 tons above the 1952-53 figure.

Hog production during the current economic year is expected to decline. The less favourable price relationships since the end of 1951 have brought down the number of brood sows steadily during the past two years. Larger litter production per sow, the shorter fattening period, and the rising number of lightweight hogs marketed have compensated for this downward tendency until now. The number of hogs marketed during the last three months of this year will probably range between 1·95 and

2·15 million, compared with 2·38 million a year earlier. Price relationships now favour increased hog production but will have little effect on marketings until the latter half of 1954.

Development of Agricultural Exports

The following figures illustrate how exports of food and agricultural products have usually remained below 3 per cent of total German exports.

	1936	1950	1951	1952	1953 Jan.-Aug.
			(in million DM)		
Total agricultural exports	68	196	489	379	281
Per cent of total exports	2·0	2·3	3·3	2·2	2·4

A high proportion of exports consists of specialty manufactured goods. Luxuries such as wines and beer account for approximately one-quarter of total exports and find world-wide markets. Exports to the U.S. (mainly luxuries but also including a substantial volume of other commodities such as canned meats) made up 17·3 per cent of the total agricultural exports in the first eight months of this year. Although price competitiveness has limited expansion, Germany has been encouraged by the measure of success which high-quality specialty items have had in this market.

Factors Influencing Imports

Germany imports approximately one-third of the food and agricultural commodities she consumes. These imports in the first eight months of 1953 constituted 36 per cent of total imports and were valued at 3·64 billion DM.

Germany continues to have special agricultural legislation designed to achieve "order in the market" (Marktordnung) and thus counterbalance the effects of variation in domestic production and sensitivity to oversupply. This legislation has a particularly significant effect on the level of food and agricultural imports during any given crop year.

German industry counts heavily on the absorptive capacity of the domestic market for imported foodstuffs as a basis for maintaining and increasing manufactured commodity exports to world markets. Lacking a free convertible currency, industry is concerned not only with the volume of agricultural imports but also with the currency area or country from which they come. Although the balance of payments position has steadily improved, the better position vis-à-vis the dollar area has been brought about partly by continuing to reduce the amount of such imports. The following figures of Germany's direct trade with the U.S., its largest dollar trading partner, show the trend towards a smaller adverse balance. This was accomplished partly by increased exports to the U.S. but more significantly by reduced imports.

	1951	1952	Jan.-Aug. 1953
	(Monthly average in millions of dollars		
Imports	65·6	52·1	25·7
Exports	19·7	18·9	15·8
Gap	45·9	33·2	9·9

In an attempt to eliminate or at least narrow the margin of indebtedness of various countries towards her, Germany has undertaken to increase her imports from these countries. Foodstuffs, particularly grains, fats

and oils, are playing an important role in this. Although it means in certain instances that prices are higher and that quality may not conform to market preference, yet Germany has felt compelled to take this action in the interests of her trade. The alternative of balancing payments through transit trade over third countries has allowed Germany to continue to draw substantial supplies of desired agricultural commodities from the dollar area.

Prospects for Food Imports

Provisional estimates of commodity import requirements for the economic year July 1, 1953, to June 30, 1954, were released at the beginning of this period. Expected major changes from the previous year are:

- Reduced bread and feed grain imports, because of the combination of a higher domestic grain crop and the intention to reduce government-owned stocks.

- An increase in sugar imports, despite a larger domestic crop, to compensate for consumption of stocks last year.

- A decline in the total value of imports from the dollar area, reflecting smaller grain imports from this area.

Imports 1950/51-1952/53 and Programmed 1953/54

(in '000 tons)

Product	1950-51	1951-52	1952-53	Programmed 1953-54
Wheat	2,293	2,224	2,280	2,000
Rye	185	313	270	400
Feed grains	1,166	2,141	1,604	1,300
Meat and meat products	189	68	101	50
Butter	37	15	12	7-10
Cheese	45	43	45	40
Oil seeds	528	434	575	560
Animal and vegetable oils	270	305	394	390
Eggs	107	83	99	90
Sugar	551	722	149	300

Grain—The final estimates for domestic production of grain, root crops and forage are higher than those anticipated when the 1953-54 import program shown above was worked out. It is probable that there will be a further reduction in feed grain imports to about 1·1 million tons. Rye, the only grain which may be imported in greater quantity than during the previous economic year, has this preference because of its low price relationship compared with feed grain. Total grain imports may decline by approximately 0·6 million tons from the 1952-53 import of 4·1 million tons.

There appears little likelihood that wheat imports from the dollar area will exceed Germany's maximum quota under the IWA—1·5 million tons, compared with imports of 1·9 million tons during 1952-53. Despite quality and price, Germany apparently deems it necessary to make this shift to alternative sources of supply in the interests of her trade policy.

Sugar—Approximately 80 per cent of German grain consumption during 1953-54 will be met out of domestic production. Annual per capita consumption, currently estimated at 24 kg., has decreased slightly since 1950-51. Despite this year's record domestic sugar beet crop, imports during 1953-54 are forecast at about 300 thousand tons, compared with half of that in the past year, because of the reduction in stocks in the

course of 1952-53. The German-Cuban trade agreement provides for imports of 150 thousand tons of raw sugar from Cuba during 1953 and 175 thousand tons during both 1954 and 1955.

Meat and Meat Products—During 1952-53 about 95 per cent of German meat consumption was met from domestic production. Per capita consumption is still 12 per cent below the prewar average. Although programmed imports for 1953-54 (as shown in the table above) indicate a substantial reduction, the present situation suggests that, to maintain consumption even at present levels, imports are likely to be considerably larger. The German demand is chiefly for pork and supply on world markets may limit increased imports.

Germany is now one of Canada's major markets, continuing in fifth place during the first six months of 1953, with purchases valued at $33·9 million dollars (DBS statistics). The central point of this trade is grain—particularly wheat but also feed grain—which accounted for $26·0 million or 76·7 per cent of the total. In the crop year just started, Germany has again made large purchases of Canadian wheat, giving concrete evidence of its significance as a long-term outlet. In addition, Germany imports from Canada a substantial volume and widening range of other products, primarily industrial raw and semi-processed materials but also food and agricultural products which are traditional Canadian exports. The agricultural situation in Germany thus has real significance for Canadians.

—W. Van Vliet
Agricultural Secretary for Canada

Uruguay Becomes a Member of GATT

ON NOVEMBER 16, Uruguay signed the Annecy and Torquay Protocols to the General Agreement on Tariffs and Trade, thus becoming the 34th country to join this Agreement. As a result of this action, tariff schedules negotiated by Uruguay under the GATT at Annecy in 1949 and those modifications carried out at Torquay in 1951 will become effective 30 days from the date of accession—that is, on December 16, 1953. Similarly, tariff concessions granted to Uruguay by Canada and by other countries under the GATT will come into effect on that date.

Commercial relations between Canada and Uruguay have been governed by a trade agreement signed on August 12, 1936, which provides for the exchange of most-favoured-nation treatment. This trade agreement will now be superseded by the comprehensive provisions of the GATT. Canadian exports to Uruguay have averaged $6 million a year in the last two years.

The concessions granted by Uruguay under the GATT comprise not only reductions or bindings of existing rates of duty, but also an undertaking to maintain the official valuations specified in the tariff ("aforos") proportionately to the real values of the products.

Among the reductions in duty extended by Uruguay under the GATT of interest to Canada are: pedigree cattle, reduced from 6 per cent to 0·75 per cent; apples, reduced during the season October 1 to February 15 from 8.20 pesos per 100 kg. to 7.22 pesos per 100 kg.; zinc, rolled or drawn, slabs and sheets, reduced from 9.59 pesos per 100 kg. to 4.84 pesos per 100 kg. Other items on which the duties were reduced or bound include malt; calcium carbide; inner tubes; cigarette paper, certain types of wood pulp, wrapping paper; copper ingots; electric plants for light or power; cream separators, refrigerators, sewing machines, vacuum cleaners, other machinery including washing machines; chassis for automobiles and trucks, certain automotive parts; airplanes; platform type trailers, and other non-automotive vehicles.

Free entry was bound for harvesters, agricultural and other types of tractors, and iron ploughs. Free entry was also bound for seed potatoes, when imported by an official government agency. All seed potatoes imported into Uruguay for several years past are shown as coming within this category.

ACTION BY THE U.S.

As a result of Uruguay's accession to the GATT, the tariff concessions granted to Uruguay by the United States should enter into force on December 16, 1953. These concessions will apply to goods from all countries, except Communist countries.

Among the U.S. concessions to Uruguay the following are of particular interest to Canadian exporters: casein or lactarene (bound at 2¾ cents per lb.); meat extracts (reduced from 7½ cents per lb. to 3¾ cents per lb.); canned beef (the 3 cents per lb. rate is maintained, but the minimum ad valorem of 20 per cent is reduced to 15 per cent); beef and veal, pickled and cured (the 3 cents per lb. rate is maintained, but the minimum ad valorem of 20 per cent is reduced to 10 per cent); cattle hides, calf hides and kip (reduced from 5 per cent ad valorem to 4 per cent ad valorem).

Complete information about duties on products included in these negotiations is available from the International Trade Relations Branch.

For Your Information . . .

The Directories listed were last published in these issues:

Foreign Trade Service Abroad...............November 7

Head Office Directory.........................October 10

Area Breakdown, Foreign Trade Service......September 19

Foreign Commercial Representatives in Canada....August 8

IMC Finishes Its Work

With the ending of the international allocation of nickel in September, the last IMC commodity committee was dissolved; the Conference now takes on "stand-by" status.

WASHINGTON—By the end of 1952, the International Materials Conference was dealing with only four of the 14 commodities originally assigned to it for study and action early in 1951. The four were copper, sulphur, molybdenum and nickel. At the end of September '53, the Manganese-Nickel-Cobalt Committee, the last IMC commodity committee, was dissolved, after completing its work on the quarterly international nickel allocations. The three other committees—dealing with copper, sulphur and molybdenum—had been dissolved one after another, beginning about the end of March.

International sulphur and copper allocations were abandoned about the middle of February 1953; molybdenum allocation, which began in the third quarter of 1951, ended on September 30. Both these steps were made possible by decreased pressure on available supplies—a result of the levelling-off of defence requirements in some countries and of increased production of most of the materials.

No Longer Needed

This further curtailment in IMC activities following similar action in 1952 indicates the steady improvement in the free world demand for and supply of the materials with which the Conference deals. It is also in line with the policy of member governments that individual committees should be disbanded when supplies of the commodities entrusted to them were no longer critically short.

Following these decisions of the commodity committees the Central Group of the Conference—consisting of Australia, Brazil, Canada, France, India, Italy, the United Kingdom, the United States, the Organization of American States, and the OEEC—announced on October 23rd that it was relinquishing its active role and taking on "stand-by" status. It will no longer meet regularly and will not maintain a Secretariat nor a permanent headquarters to service committees. It does not plan further budgets and unspent funds subscribed by contributing governments are now being refunded.

In its stand-by role, the Central Group will provide an international meeting-ground for the discussion of common problems arising from possible future shortages of certain raw materials and will furnish a focal point for the speedy re-creation of special commodity groups if they are needed. The future status of the Central Group and its stand-by function will be considered further next month.

—S. V. Allen
Commercial Counsellor for Canada

Trade and Tariff Regulations

INDONESIA

New Export Inducement System Revised—The Indonesian Central Import Bureau has announced that inducement certificates cannot be used to import goods on list "D". This list includes luxuries such as passenger automobiles of a landed value exceeding $2,400, fountain pens made of precious metals, and toys driven by electricity or steam.

As a result of this announcement, no foreign exchange will be made available to import these goods into Indonesia. The same situation existed before the new inducement system came into force on October 12, 1953—Djakarta, November 10.

A summary of the new Indonesian export inducement system was published in "Foreign Trade" of November 7, 1953.

LEEWARD AND WINDWARD ISLANDS

Flour Purchases—At the present time, flour imports into Leeward and Windward Islands are being bulk-purchased through the B.W.I. Trade Commissioner in Montreal.

Recently, it was recommended that, beginning in January 1954, this system be changed so that each colony (except Grenada) will purchase flour by calling for tenders from local agents. The proposed new system is still subject to final approval and implementation by the governments concerned, and it is likely that an official announcement from the various governments will be made before the end of the year.

Canadian flour exporters who wish representation in the Leeward and Windward Islands should communicate with the Canadian Government Trade Commissioner in Port of Spain, Trinidad.

PERU

Car Imports Prohibited—Effective November 14, 1953, the import of all passenger cars and station wagons has been prohibited for six months. Cars which have already been imported will be cleared by the Customs, and those shipped prior to November 14 will be granted clearance subject to satisfactory documentary proof by the Peruvian importer.

According to the Peruvian announcement, this measure has been adopted to safeguard the Peruvian exchange position.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversions into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02334.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Nov. 19*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1302	
		Basic buying	·1954	
		Preferential selling	·1954	(1)
		Basic selling	·1302	
		Free	·07034	
Austria	Schilling		·03758	
Australia	Pound		2·1975	
Belgium Luxembourg & Belgian Dependencies	Franc		·01962	
Bolivia	Boliviano	Official	·00514	
British West Indies	Dollar		·5723	(3)
	Pound		2·7469	(4)
	Dollar	Brit. Honduras	·6867	
Brazil	Cruzeiro	Official selling	·5192	tax 8%
		Effective buying	·0345	(5)
		Coffee buying	·0418	
Burma	Kyat		·2052	
Ceylon	Rupee		·2060	
Chile	Peso		·00888	(1)
Colombia	Peso	Basic	·3909	
Costa Rica	Colon	Official	·1740	(6)
		Free	·1471	*
Cuba	Peso		·9772	tax 2%
Czechoslovakia	Koruna		·1357	
Denmark	Krone		·1415	
Dominican Republic	Peso		·9772	
Ecuador	Sucre	Official	·06515	(7)
		Free	·05613	
Egypt	Pound		2·8061	
Fiji	Pound		2·4747	
Finland	Markka		·00425	
France	Franc		·00279	
French Africa	Franc		·00558	
French Pacific	Franc		·01536	
Germany	D Mark		·2327	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9772	
Haiti	Gourde		·1954	
Honduras	Lempira		·4886	
Hong Kong	Dollar	Free	·1644	*Nov. 6
Iceland	Krona	Official	·06000	
		Special buying	·04620	
		Special selling	·03723	
India	Rupee		·2060	
Indonesia	Rupiah	Basic	·08572	(8)
		Dollar certificate	·00185	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Nov. 19	Notes (See below)
Iran	Rial	Official	·03030	*
		Certificate	·01015	*
Iraq	Dinar		2·7361	
Ireland	Pound		2·7469	
Israel	Pound	Basic	2·7361	
		Investment	·9772	(9)
Italy	Lira		·00157	
Japan	Yen		·00271	
Lebanon	Pound	Free	·3000	
Mexico	Peso		·1130	
Netherlands	Guilder		·2572	
Netherlands Antilles	Guilder		·5182	
New Zealand	Pound		2·7469	
Nicaragua	Cordoba	Effective buying	·1480	(10)
		Official selling	·1386	
		With Surcharge I	·1213	
		With Surcharge II	·09723	
Norway	Krone		·1368	
Pakistan	Rupee		·2954	
Panama	Balboa		·9772	
Paraguay	Guarani	Basic	·06515	(1)
		With Surcharge I	·04653	(11)
		With Surcharge II	·03257	
Peru	Sol	Certificate	·05268	
Philippines	Peso		·4886	tax 17% (2)
Portugal	Escudo		·03410	
El Salvador	Colon		·3909	
Singapore & Malaya	Straits dollar		·3205	
South Africa (Union of)	Pound		2·7469	
Spain & Dependencies	Peseta	Basic buying	·04462	
		Basic selling	·08709	
		Basic commercial selling	·05949	(1)
		Free	·02509	
Sweden	Krona		·1889	
Switzerland	Franc		·2271	
Syria	Pound	Free	·2756	*Oct. 15
Thailand	Baht	Official	·07817	(1)
		Free	·05262	*Sept. 30
Turkey	Lira		·3490	
United Kingdom	Pound		2·7469	
United States	Dollar		·9772	
Uruguay	Peso	Official	·6433	
		Basic buying	·5489	
		Special buying	·4158	(1)
		Basic selling	·5143	
		Special selling	·3988	
Venezuela	Bolivar		·2917	(12)
Yugoslavia	Dinar		·00327	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador: Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

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Foreign trade

DECEMBER 5, 1953

The U.S. Market for Fish and Fish Products

foreign trade

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Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

The U.S. Market for Fish and Fish Products

- *Groundfish fillets selling well, with prices high.*
- *Small domestic salmon pack boosted Canadian sales.*
- *Sales of cured cod brisk and supplies are light.*

NEW YORK—Since my last report, which appeared in the May 30th issue, the market for groundfish fillets has progressed as then predicted and it is now healthy. Prices of the three principal items—cod, haddock and ocean perch—are now equal to or better than the highest prices received by processors during the fall of 1952.

Demand is good and stocks of certain items are below normal. Some distributors are finding it increasingly difficult to obtain sufficient supplies of frozen cod fillets. In fact, a shortage of these fillets by the end of the year, and certainly by the beginning of Lent, is possible unless local and foreign production improve considerably by that time.

Holdings of Groundfish Fillets

United States holdings of the three principal frozen groundfish fillet types in public cold storage warehouses on November 1, 1953, with the comparative inventories on November 1, 1952, were:

	November 1st, 1953	November 1st, 1952
	(pounds)	
Cod	7,868,111	16,529,300
Haddock	9,701,853	11,988,978
Ocean Perch	15,593,455	17,676,501

(Holdings of imported fillets are included in the above figures.)

Although total imports of frozen groundfish fillets for the nine-month period ending September 1953 were 16 per cent lower than for the same period of 1952, imports from Canada were two million pounds higher—an increase of about five per cent.

U.S. Tariff Commission Hearings

As the result of applications made to the U.S. Tariff Commission by New England fishing interests under Section 7 of the Trade Agreements Extension Act of 1951, public hearings were held at Washington, D.C., beginning October 20th. The New England fishing industry, in its application for hearings, claimed that increased imports of groundfish fillets were seriously injuring the domestic industry and requested that restrictive action in the form of quotas on imports be taken and that the present preferential tariff rate of $1\frac{7}{8}$ cents per pound be abolished.

The Fisheries Council of Canada was represented at the hearings by the secretary-manager. Supporting the importers in giving testimony before the Tariff Commission were members of the American Seafood Distributors Association. The deadline for the Tariff Commission to

Last month, the Canadian Showroom at Rockefeller Center featured a display of fish and fish products from 25 Canadian fish packers or processors. Picture above shows one small section of the exhibit.

submit its report to the President is May 8, 1954. The outcome of the hearings will not be known, therefore, until the President receives the report from the Tariff Commission and makes his decision known.

Because of fairly strong competition from domestic production, the frozen halibut market has been somewhat weak of late. However, reports indicate that demand is now improving and prices strengthening and in a short time prices should be about on a parity with those of last fall.

The frozen salmon market is firm and demand good, particularly for large red kings.

Local stocks of frozen halibut are about 10 per cent less than on the same date last year; frozen salmon stocks are about the same as those in 1952.

The market for frozen flatfish fillets such as flounders, sole, etc., is good; demand is heavy, with firm prices.

The market for inland freshwater fish is fairly steady. Supplies are light to moderate, with fair demand and prices firm. The market for all freshwater varieties is expected to continue fairly strong for at least the next few months.

The market for whole salted cod and boneless cod strips has not changed since earlier this year. Demand is excellent, with supplies light and prices firm; some prices are increasing.

The cured herring market is fair at present, with stocks about normal. However, as in past years, future prospects will depend largely on the extent of the Norwegian winter production and the prices which

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the Norwegians ask. These are usually announced during the latter part of January. In recent years, Norwegian herring have been quoted at lower prices than for similar Canadian cures and adjustments in Canadian prices usually take place when Norwegian herring enter the market. At the present time, however, prices for Canadian fall pack are about the same as those quoted last fall and this should continue until at least mid-January.

The demand for pickled mackerel is good, but U.S. importers seem very reluctant to pay prices comparable to those paid during the early fall of 1952. Distributors say that they are unable to sell locally at prices as high as last year's and have to adjust import prices accordingly. Pickled mackerel consumption tapers off almost altogether at the end of Lent and exporters would be well advised to dispose of their stocks in sufficient time to be consumed from now up to the end of Lent.

Canned Fish

The market for all types of canned fish products continues strong. The market for canned salmon is very active with supplies light to moderate and demand good. This is the result of an abnormally small domestic pack, probably the smallest in a number of years. Imports of canned salmon from January to June came entirely from Canada and totalled about 170 thousand standard cases, compared with a little over 20 thousand cases in the same period of 1952.

Supplies of canned sardines are extremely light, with demand good. Maine production was much below that of 1952 and the California sardine pack was a complete failure this year. As a result, the U.S. market has had to rely more on foreign supplies to take care of demand.

The market for live, canned and frozen lobster has been good so far this year and this is expected to continue for some months to come.

The fishmeal market is steady, with supplies moderate and demand good. Prices for all types of fishmeal have remained firm with the exception of herring, which a short time ago took a slight drop. It is felt, however, that prices generally will continue strong until at least the end of the year.

The fish oils market is weak, with supplies moderate to liberal and demand slow.

There has been little change since my last report in the fish liver oils market, as was anticipated. The synthetic vitamin industry is able to produce vitamin products, particularly vitamin A, at a low cost and this virtually imposes a ceiling on the price of natural vitamin-bearing oils.

The production of domestic fish oils this year has increased substantially over previous years. Because of a dull market for fats and oils generally, the market for fish oils has been affected accordingly, although there was a slight rally in September. The future outlook is rather uncertain but if imports remain at the present low, the market may strengthen in the New Year.

—M. B. Bursey
Consul of Canada and Trade Commissioner (Fisheries)

Trade with Western Samoa

WELLINGTON—The Territory of Western Samoa, which has been administered by New Zealand as a Trusteeship ever since World War I, comprises two large islands, two small ones and several islets. The total land area of about 1,100 square miles maintains a population of just under 86,000, of whom less than 5,000 are European.

The economy is entirely agricultural because, although the islands are volcanic in origin, no minerals have yet been discovered. The only crops important to export trade are cocoa and copra. Cocoa exports have grown steadily though not spectacularly since 1910. In that year, cocoa shipments totalled 498 tons valued at £28,000; in 1952, 2,500 tons valued at £600,000. The production of copra, the more important crop, has remained more or less static since 1922 but returns have increased since the end of World War II because of rising prices. In 1952 exports reached 17,000 tons valued at just over £1 million. Other exports include fruits, desiccated coconut, and smoked rubber. Total exports were valued at £1,764,000 in 1952, compared with £1,722,000 in 1951.

Major Markets

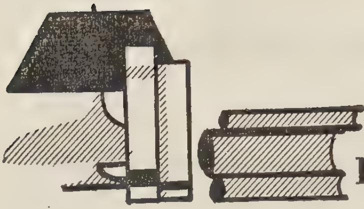
Western Samoa has rarely had an adverse balance of trade and 1952 was no exception. Imports, at £1,688,000, included a wide variety of products. Of the 184 items which make up the import statistics, only 37 represent import values of more than £10,000. The bulk of the imports came from the United Kingdom (£410,000); Australia (£379,000); New Zealand (£337,000), and the United States (£224,000). Imports from Canada reached only £54,000.

The bulk of the Territory's exports went to the United Kingdom (£1,267,000), Australia (£41,000), New Zealand (£180,000), and the United States (£268,000—all cocoa beans). Exports to Canada were valued at less than £500. The fact that the United States is a large buyer of Samoan cocoa, and the proximity of the U.S. territory of Tutuila, probably account for the relatively large U.S. imports.

Imports of greatest value in 1952 were:

Commodity	Value
Cotton piece goods	£132,000
Electric machinery and parts	117,600
Drapery and apparel	86,000
Canned meat	77,000
Hardware, hollow-ware, etc.	69,000
Flour	64,000
Galvanized sheets	52,000
Biscuits and confectionery	36,000
Pipes and fittings	34,000
Wallboard	33,000
Perfume and toilet preparations	18,000
Paints and colours	18,000

—L. S. Glass
Commercial Secretary for Canada



Businessman's Bookshelf

Australia's Continuing Development

Australia and New Zealand Bank Ltd. 108 pages. Free.

THE BUSINESSMAN who wants to bring himself up-to-date on economic development in Australia will find this newly published brochure useful. It begins by discussing the Australian people and their occupations. It then takes up the primary industries, with a total production value of £727 million, and later the manufacturing industries—total production value, £645 million. Chapters on trade and transport, on finance, and on the Australian social pattern complete the story. The excellent charts give added value to the text.

Order from: Australia and New Zealand Bank, 71 Cornhill, E.C. 3, London, England.

Facts on Turkey

Turkish Information Office. 32 pages. Free.

TO CONDENSE into 32 pages statistical and other information on Turkish government, history since 1923, education, national resources and industries, transportation, and foreign trade is something of a feat. This booklet manages to convey information on all these topics concisely and attractively, with the aid of charts, maps and pictographs. It serves to introduce the interested reader to this rapidly developing country and the bibliography on the last page lists more specialized publications for further study.

Order from: Turkish Information Office, 444 East 52nd Street, New York 22, N.Y.

The A.B.C. of the Foreign Exchanges (11th Edition)

By Norman Crump. 397 pages. $2.15.

THE BASIC FEATURES of the theory and practice of foreign exchange operations are outlined in this book. Beginning with the system of trading under the gold standard, the author reviews the breakdown of this regime of free exchange and the development of controlled markets. Principal developments up to the end of 1949 are covered. Subsequent changes have not materially altered the general features outlined.

In addition, the author presents a particularly clear and concise analysis of the development of the exchange controls of the United Kingdom. This provides an excellent illustration of the kind of restrictions over exchange operations which have been imposed by many trading nations in recent years.

The Canadian trader who finds himself baffled by the myriad foreign regulations on the transfer of foreign exchange should find this book worthwhile reading.

Order from: The Macmillan Company of Canada, 70 Bond Street, Toronto 2, Ont.

Gold Coast Handbook of Trade and Commerce

Department of Commerce, Government of the Gold Coast. 86 pages. Free.

HERE IS A HANDBOOK worthy of the name. It answers just about every question that a visitor, businessman or tourist to the Gold Coast might ask—air services, climate, suitable clothing, currency, health conditions, immunization shots, hotels, language.

For the businessman, the book gives essential information on the banks, Chambers of Commerce and similar associations, customs duties, hours of business, insurance companies, auditing firms, manufacturers' agents, mail and telegraph services and railways and harbours.

In addition to these essential facts about life on the Gold Coast, the *Handbook* discusses the country's overseas trade, with special sections on the principal exports (cocoa, gold, diamonds, manganese, bauxite and tin); export, import and exchange controls; finance; immigration; taxation, etc.

Order from: Gold Coast Office, Melbourne House, Aldwych, London, W.C. 2, England.

Introducing the British Pacific Islands

Colonial Office, London. 96 pages. 50 cents.

THE ROYAL TOUR now being made by the Queen and the Duke of Edinburgh, and the popularity of Queen Salote of Tonga at the Coronation celebrations, have brought the British Pacific Islands into the news limelight this year. This attractive booklet, therefore, makes especially interesting reading at this time.

The 96 pages are full of interesting and useful information, presented in an appealing and very readable manner. Fascinating glimpses of history, tradition, flora and fauna are caught in excerpts from 18th and 19th century writers, such as Captain James Cook and Robert Louis Stevenson.. The forms of government, the commercial life, the work of the missionaries and the war against disease are outlined. The reader is left with an impression of a fine and friendly people, enhanced by the record of their gallant service during the war.

Order from: United Kingdom Information Office, 275 Albert St., Ottawa.

Japanese Oranges for Christmas

The small, juicy Mandarin orange has become a traditional Christmas delicacy in the Western provinces—Japan's only important export market for this crop.

TOKYO—In spite of the high hopes entertained by Japanese growers, November shipments of Mandarin oranges to Canada's western provinces will not surpass the record set in 1952. Frost damage, floods and midsummer typhoons, coupled with an unfruitful year in the crop cycle, yielded a short crop—only 70 per cent of last year's bumper harvest. Nevertheless, these small, sweet, fresh oranges are a traditional Christmas delicacy in Western Canada and an important year-end Japanese export. British Columbia, Alberta, Saskatchewan and Manitoba constitute Japan's only dollar market for oranges and together absorb practically all the exportable grades.

Sales Have Increased

Since the end of the Pacific war, Canadian purchasers of these oranges have increased considerably. Canada bought none in 1946 and an insignificant quantity in 1947. But by 1952, sales to Canada were over twice as large as in the peak prewar year. The following table of imports indicates the trend, which will likely be reversed this year.

Imports of Japanese Fresh Oranges into Canada

Year	Cubic feet	Value	Year	Cubic feet	Value
1937	256,897	$ 170,369	1949	264,647	$ 503,502
1938	219,357	157,098	1950	355,695	661,397
1939	252,439	225,961	1951	407,862	876,671
			1952	565,458	1,088,146

(Source: Trade of Canada—DBS)

Trade Important to Japan

The perishable fruit is picked, wrapped and packed in late October or early November, and all shipments are afloat by the end of November so that distribution may be completed in time for the Christmas trade in Canada. Because of this traditional marketing technique dictated in part by the time needed for the crop to mature and then be carefully and rapidly transported to the consumer, Japanese Mandarins have never succeeded in obtaining more than a 5½ per cent of Canada's total annual imports of oranges, valued at $19·8 million. However, this small fraction of imports is important to the Japanese because it represents more than 90 per cent of their total exports of oranges and the largest single commodity export to Canada. Japan's large population could consume the total crop but overseas shipments of exportable grades are encouraged as a means of earning foreign exchange. Small quantities also go to Hong Kong, Okinawa, Guam, and Alaska.

Mandarin oranges have been grown in Wakayama Prefecture, Kishu district (south of Kobe-Osaka) for ten or twelve centuries. In recent

Canadian children in the western provinces may well find some of these Mandarin oranges, grown in Japan, in their stockings on Christmas morning. Most of the shipments leave Japan before the end of November.

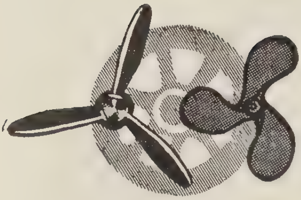
years, Shizuoka (southwest of Yokohama) and Ehime Prefecture (west of Kobe) have developed extensive orchards to supplant Wakayama as the most important producing area. About 90 per cent of exports are routed through Kobe and Shimizu Port (serving Shizuoka); the remainder go from Yokohama. Air-cooled space is available on freighters which carry the cargo to West Coast ports, mainly Vancouver. From there, they are distributed by rail and truck as far east as Winnipeg.

In 1952, for the first time in many years, limited quantities were sold in Ontario. However, to effect more widespread distribution in Eastern Canada requires earlier shipment which would not necessarily coincide with the harvest in Japan. The northwest United States would probably prove to be a good market but it is currently closed to imports. The U.S. Department of Agriculture conducted an investigation this year but the ban on Mandarins is still imposed to protect California fruit trees from the possible ravages of citrus canker.

A Specialized Trade

Canadian firms participating in this highly specialized trade must devote considerable time and attention to the business, not only during the shipping season but many months ahead. The oranges must be paid for under Japan's export regulations before shipment. The perishable nature of the product and the perfect timing necessary to market it means that the trade involves considerable risk.

—R. F. RENWICK
Assistant Commercial Secretary for Canada



Transportation Notes

Israel Tackles Its Transportation Problems

ATHENS—Since the inception of the State of Israel in 1948 up to the end of the 1952-53 fiscal year, the Ministry of Communications has spent an estimated I£60 million on improving and expanding the country's transportation and communications system. There is still much to be done but lack of funds and material shortages are serious impediments to carrying out this program.

The roads continue to be the principal medium for the transport of both passengers and freight and maintaining and expanding the highway network receives priority. The surfaces have been well maintained, but some of the main roads are narrow and dangerous for the increasing volume of traffic and some sections will soon need rebuilding. During 1952, 150 kilometres of new roads were built, bringing the total length of roads in Israel to 2,600 km. (1,612 miles). Shortages of trucks and machinery hamper the work. The Beersheba-Kurnob-Sdom road, started in 1951 and officially opened in March 1953, has helped the resumption of potash production at the Dead Sea works and the exploitation of Negev phosphates at Kurnob. Urgently needed are 218 km. of approach roads to 200 new settlements, particularly in the Negev desert area.

Passengers and Freight

At the end of 1952 there were 40,931 licenced motor vehicles in Israel. A considerable portion of the taxi fleet is of ancient vintage; at least 350 should be replaced immediately and 500 more are needed. A third of the buses were bought since 1949 but over 600 are ten or more years old and should be replaced. Over 20 per cent of the fleet is under repair at any given time. However, to increase the efficiency of the service calls for an additional 700 vehicles. At the beginning of the year, plans were being made to assemble the French Chausson type in Israel.

Road freight continues to present a number of problems largely centered around the inefficient distribution network. Much agricultural and most industrial production is concentrated in the north, with Haifa the chief channel for imports; the largest consuming centre is Tel Aviv in the southwest. Consequently, trucks move from north to south fully loaded and return up to 80 per cent empty. Only during the few months of the citrus export season is this problem solved by the heavy movement of fresh fruit from the Tel Aviv area to Haifa. Exploitation of the

Negev mineral resources and Dead Sea potash, dispersal of industry, construction of a deep-water port on the southern part of the coast, and a fuel pipeline from Haifa to Tel Aviv are projected measures to disperse and diversify freight with more two-way full cargoes. Of the 15,000 trucks in the country, only a fifth are of five tons or more capacity and 3,000 are at least ten years old. There is need for 3,500 more freight vehicles—two-thirds medium and light commercial types and one-third heavy, diesel-powered trucks. Foreign currency outlay for automotive spare parts has been averaging $13·5 million a year, but output of the two recently established tire plants should reduce this by 25 per cent.

Railways Not Well Patronized

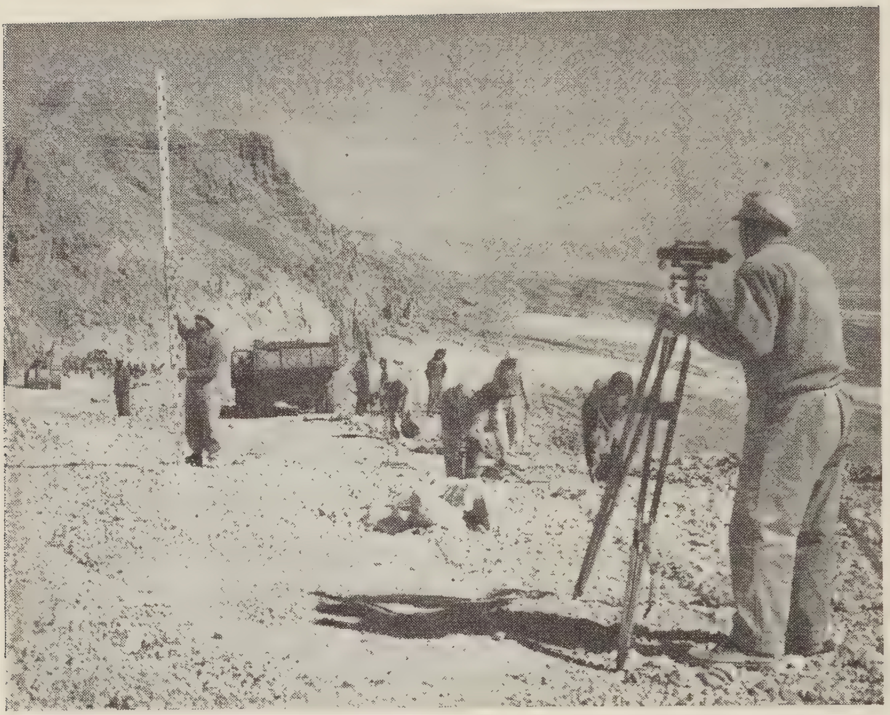
The railroad facilities in Israel are not being put to full use. Despite a fourfold increase in freight and citrus and a fivefold increase in passengers since 1948, the three principal lines still run at only 35 per cent of capacity. Some 200 passengers travel by road to every one by rail. During 1952 the Israel railway system operated 386 km. of standard-gauge track and over 200 km. of branch lines and sidings. It used 93 oil-burning steam locomotives, 46 passenger cars, and 2,585 freight cars. It carried 1,777,000 passengers, 947 thousand metric tons of freight, and 2·8 million cases of citrus.

Three diesel locomotives from Belgium have gone into operation recently, cutting down the travelling time between the three main cities. An order was placed in 1952 for 225 freight cars from Europe and last June the Israel State Railways put out its first call for tenders for 65 phosphate-carrying cars, 24 passenger cars, six large and five small diesel engines, 100 km. rails and sundry maintenance materials. In April a new line shortening the distance between Tel Aviv and Haifa by 38 kilometres was completed. A special committee is now examining the problem of a railway through the Negev to the port of Elath on the Gulf of Aqaba (Red Sea), which would help particularly in the transport of Negev minerals, phosphates, ball clay, etc. It is estimated that half a million tons of phosphate rock a year will eventually be hauled by rail from the Negev to the fertilizer plant in Haifa.

Ports Being Improved

Haifa, the country's chief port, handled $1\frac{1}{2}$ million tons of cargo in 1952 and 160 thousand passengers. To improve services and increase capacity, the wharves are being lengthened, storage space enlarged and new warehouses built. A 20,000-ton grain silo has recently been installed. Future plans call for the setting-up of a ship repair installation, including a floating dock and shipyard. Congestion at Haifa will be greatly relieved when operations begin at the auxiliary Kishon port.

Israeli shipping has developed steadily and satisfactorily for the past five years. In 1948 Israel had only four ships; in August 1953 she had 32 vessels with an aggregate tonnage of 170



The new road from Sdom to Beersheba, two years in building, was opened last March and has eased one of Israel's transportation problems. Photo shows surveyors at work when the road was being planned.

thousand. The present fleet consists of 23 general freighters, five fruit carriers and four liners, including the recently acquired 15,000 ton *Argentina,* renamed *Jerusalem,* with accommodation for 2,500 passengers.

Air Services

Various improvements are going forward with the object of making Lydda (Lod) an international class "A" airport, with landing facilities for the largest and fastest jet-type planes. These improvements include the setting-up of a maintenance base and extending the main runway to 2,360 metres. At present 13 regular international airlines, including the national airline El-Al, use Lydda airport, with about ten planes carrying an average of 550 passengers a day. Haifa and Tel Aviv have smaller air fields. There is only one small internal air service.

The story of transportation in Israel is one of progress, but the needs of the country for better services continue to grow. In the present fiscal year an increased State appropriation to develop these services was included in the budget and most of this sum, it is expected, will come in the form of reparations from West Germany under the terms of the recent agreement.

—H. W. Richardson
Commercial Secretary for Canada

The French Wine Trade

PARIS—Wine has long been a traditional French export. Wine, liqueurs and cognac together constitute the most important agricultural export and account for from 4 to 5 per cent of total export trade.

After the war the trade in wine expanded steadily up to the end of 1951, but 1952 brought a check in exports to the United States and the United Kingdom. Trade with Continental Europe, however, and especially with Benelux and Germany, continues to expand.

French wine exports during the first eight months of 1953, at 19,711 million francs, were about equal to last year's and shipments to the French Union were on the same level. The figure for the French Union normally corresponds to only one-half or one-third of the quantities moving to foreign countries and, since these exports remain within the union, they are normally disregarded in any study of foreign trade.

Types and Markets

The four principal markets for wine, in order of importance, are (1952 position in brackets) the United Kingdom, (20·47 per cent); the United States, (12·26 per cent); Germany, (11·25 per cent), and Benelux, (11·21 per cent). These four countries together take 55 to 60 per cent of the total exports.

Bordeaux wines are well in the lead, followed closely by champagne in the case of the United States and, to a lesser extent, the United Kingdom. Burgundy wines are second among wine exports to Benelux and Germany, although they add up to less than half the volume of the Bordeaux. Cognacs and liqueurs move in fair quantities to the United Kingdom and the United States but represent only a small portion of exports to Continental Europe.

Canada ranks sixth among importers of French liqueurs, eighth for wines and tenth for cognacs. French statistics showing exports to Canada worth 816 million francs in 1952 correspond closely to the figure of $2·3 million reported by the Dominion Bureau of Statistics. This figure represents only a small portion of total French wine exports but, with the $11 million worth shipped to the United States, it adds up to important dollar earnings. The equivalent of $18·5 million worth of wine exported to the United Kingdom helps to offset the sterling shortage.

France imports wine in small quantities from the Mediterranean countries and in very large quantities from Algeria—60,572 million francs worth in 1952. This Algerian wine is used as ordinary wine for domestic consumption or is mixed with the inferior wine of southern France, thus adding to the already pressing problem of over-production in the south.

The year has been a good one for French wine production; the estimated output of 53·3 million hectolitres equals last year's. The quality varies considerably, however—it is superior in Burgundy, Champagne and Alsace, but less satisfactory in the Bordeaux area.

—V. F. Wightman
Office of the Commercial Counsellor for Canada

Credit Conditions in Europe

OTTAWA—As a market, Europe has shown generally favourable trends during the past six months. The lessening dependence on U.S. economic aid illustrates the continuing improvement in Europe's trade position with dollar countries. Some governments have responded by easing restrictions on dollar imports; others have further liberalized trade with their continental neighbours. Thanks also to the tendency to more reassuring internal political developments in Germany, Italy and France, and to the growing reality of defence strength in western Europe, the international credit position of the area as a whole has certainly improved in 1953.

The Opening Door

Currency convertibility is gaining proponents in Europe, bringing nearer the day when discriminating exchange regulations, as a barrier to trade, may disappear. The inability of France to overcome domestic financial instability and increase her rate of exports is the main hindrance to more unhampered trade with Europe. A dash to exchange freedom without the franc is not practicable. But in the meantime trade liberalization is gaining ground and various European countries have relaxed restrictions on dollar imports.

The ready availability of dollar exchange is a most important element in the credit picture anywhere, because transfer delays have been the most frequent cause of non-payment to Canadian exporters. The dollar situation has become easier in Europe this past year, as a result of a better area trade balance with dollar countries. The gains were greatest for Western Germany, the Netherlands, and Denmark. The position of Belgium and Switzerland continues strong. The reserves of the United Kingdom have improved month by month and Austria and Greece have also built up their reserves slightly. Portugal and Sweden have maintained satisfactory but little changed holdings. Depletion of resources has made the situation worse in Turkey, Norway, Finland, and to some degree in Italy. The others who continue to scratch hard to cover their dollar needs are Iceland, Spain and Yugoslavia. Further improvements will be necessary before unrestricted trade can become general in Europe.

Morality and Mortality

The good business ethics of Western European firms continue to influence favourably the maintenance of a good credit record for importer account in this area. Where documentary drafts are customary, buyers have been settling their bills within one to three weeks, with only Greece and Iceland tending to longer delays. Repudiation and default by importers are not frequent. However, competition is forcing sales on more extended credit terms and thus increasing the risks.

Easier domestic credit in most of these countries, as commercial banks enjoyed freer operations under relaxed monetary policies and lower bank rates during 1953, contributed to better collection conditions. It also has

improved financing for all business operations and removed one possible cause of business failure. The mortality rate among European firms in periods of average or high prosperity is less than in most other regions because of the greater stability bred of long experience and sound practices. Warnings of more difficult times ahead in Europe, as everywhere, suggest that business failures may increase in 1954.

Collection Experience

Advice from American banks shows that remittances were generally received promptly from European countries over recent months, with some short delays experienced from Greece, Iceland and Turkey only. Most U.S. banks and exporters regard Greece, Spain, Trieste, Turkey and Yugoslavia as markets where letter of credit financing of export bills is advisable.

The Canadian Export Credits Insurance Corporation reports broadly similar experience. Overdue collections were no problem except for Turkey. This can be explained by the fact that Canadian exporters showed the same caution in dealing with doubtful markets and limited terms to letter of credit.

SUMMARY OF CHANGES TO DATE IN 1953

Country	Trade Balance and Exchange Position	Business Conditions
Austria	improved	better
Belgium-Luxembourg	little change	slightly softer
Denmark	improved	stronger
Finland	deteriorated	more uncertain
France	still difficult	firmer
Germany, Western	improved	gaining strength
Greece	improved	better
Iceland	still difficult	no change
Ireland	improved	gaining
Italy	soft but steadying	recovering
Netherlands	improved	still improving
Norway	weaker	more uncertain
Portugal	improved	stable
Spain	no gain	still difficult
Sweden	little change	good but uneasy
Switzerland	improved	continuing good
Turkey	more difficult	little change
Yugoslavia	still difficult	little change

Commodity Notes

AUSTRALIA

Polyethylene—It is reported that an agreement has been concluded between Imperial Chemical Industries of Australia and New Zealand Ltd. and the Visking Corporation of Chicago, for the manufacture of polyethylene film and lay-flat tubing by ICIANZ in Australia and New Zealand. The products will be sold under the trade mark of "Visqueen". Earlier this year ICI Ltd. and the Visking Corporation formed a joint company in England to manufacture and market polyethylene film and tubing. ICIANZ is erecting a plant at Deer Park, Victoria, and it is expected that first supplies will be available early in 1954—Melbourne, Nov. 7.

BRAZIL

Cocoa—The Ministry of Agriculture has estimated 1953 cocoa production at 122,500 tons—Rio de Janeiro, Nov. 12.

Cotton—The Government owned approximately Cr.$6 billion worth of cotton when it initiated sales, according to calculations made by the Rio Commercial Association. The Association estimates that the Government will take a Cr.$4 billion loss when these sales were completed, a loss which it expects to cover by selling the exchange obtained in the free market—Rio de Janeiro, Nov. 12.

CUBA

Sugar-Cane Wax—Cuba is making strides in expanding and consolidating production of sugar-cane wax, a new and potentially important by-product of the sugar industry now in the experimental stage. "Cachaza" (first froth on the cane juice when boiled), the raw material for the production of this type of wax, has a wax content of from 0·59 to 12·8 per cent, depending on the variety of cane ground, the average yield is one to five pounds of wax per ton of ground cane, and the country grinds an average of 40 million tons of sugar-cane a year. All this, and the attractive prices for vegetable waxes in the U.S. market (about 63 cents a pound), seems to promise that the product will compete successfully with Brazilian carnauba wax—Havana, Nov. 10.

DENMARK

Automobiles—Because of the favourable dollar situation, Danish assembly plants for American automobiles will now be given dollars to purchase parts in the United States. This will enable Denmark to resume the export of automobiles, important in prewar years. So

far, dollar import licences equivalent to 20 million kroner have been granted, which will give an export value for the completed cars of about 26 million kroner—Oslo, Nov. 16.

DOMINICA

Limes—A recent sharp drop in the price of limes and lime juice is causing concern. It is stated that the principal purchaser in the United Kingdom may stop buying. Yellow limes are now selling as low as BWI$3.36 a barrel, and lime juice at BWI$0.84 a gallon—Port of Spain, Nov. 5.

EASTERN CARIBBEAN

Tobacco—Efforts are being made to grow tobacco in the Eastern Caribbean area. Some progress is reported from the Rupununi area of British Guiana, but growers lack capital and technical guidance. In Antigua, a pilot scheme for tobacco growing is under way and prospects are good—Port of Spain, Nov. 13.

GRENADA

Nutmegs—World production of nutmegs is more than double world consumption, and producers in Grenada are concerned. But by stimulating consumption, developing new by-products, and building up an effective marketing system they hope to avoid serious losses—Port of Spain, Nov. 13.

INDONESIA

Eucalyptus Oil—The Forestry Department has announced that production of eucalyptus oil in Indonesia for 1953 will be close to 8,000 litres, and that sales will bring in approximately 15 million rupiahs. Production in 1954 is expected to increase to 25,000 litres, giving a profit of nearly 23 million rupiahs. Over 58 million rupiahs will probably be spent on production next year, and revenues total over 82 million—Djakarta, Nov. 4.

ITALY

Aluminum—Production of aluminum in Italy has increased from 25,700 tons in 1949 to 52,000 in 1952. Nine-tenths of the 1952 figure, or 45-47,000 tons, was for domestic consumption, which means about one kilo per capita only. However, it is anticipated that consumption will increase rapidly and production should follow suit, not only to meet domestic needs but also to provide for expanded exports. The difficulty is the high cost of electric power, which makes the price of Italian aluminum higher than in other producing countries, notably Canada—Rome, Nov. 16.

JAPAN

Butter—The embargo placed on imports of butter into Japan has resulted in such high prices and shortages that an emergency foreign currency allocation of $100 thousand has been given to importers. About 200 thousand pounds of butter are expected to be bought from Australia, New Zealand and Denmark, to arrive in Japan early in January—Tokyo, Nov. 10.

MEXICO

Coffee—Mexico exported more than a million bags of coffee in the crop year October 1, 1952-September 30, 1953, the National Coffee Commission states, valued at $85·9 million. Under a program drawn up by private and official interests, coffee exports are scheduled to increase to 10 million bags a year by 1963—Mexico, D.F., Nov. 9.

NORWAY

Fish—The Norwegian herring catch in Icelandic waters this year was larger than in any year since the war. About 300 Norwegian vessels took part, and during one month the total catch amounted to about 300 thousand barrels of herring at a first-hand value of 28 million kroner. A small shipment of 75 tons of Norwegian klipfish has just been sold to Puerto Rico, an entirely new market for this product; 300 tons were recently shipped to Cuba and Mexico, and a similar amount to the Mediterranean countries—Oslo, Nov. 12.

SOUTH AFRICA

Wine—The 1953 vint, based on the processing of 438,940 tons of grapes, is the highest in South African history and about 50 per cent above the previous year. The trend away from farm processing to crushing by co-operatives is underlined by the decline in production of farm wine from 300 thousand leaguers in 1934 to 200 thousand leaguers in 1951, and to 189 thousand leaguers in 1953—Cape Town, Nov. 10.

UNITED KINGDOM

Whisky—Exports of Scotch whisky during the first nine months of 1953 totalled 9,526,000 proof gallons, more than one million proof gallons more than in the same period of 1952. The Scotch Whisky Association has indicated that the United States was again the largest single buyer and imported 5,272,000 gallons. This was an increase of more than 500 thousand gallons over the first nine months of 1952—London, Nov. 17.

Steel—The British Iron and Steel Federation announced that United Kingdom output of steel ingots in October was at the annual rate of 18,462,000 tons, a new monthly production record. Pig-iron production, at an annual rate of 11,519,000 tons in October, was also a record. It is now almost certain that the steel industry in this country will produce 17·5 million tons in 1953. It is apparent that pig-iron production for the year will amount to slightly more than eleven million tons—London, Nov. 18.

UNITED STATES

Plastic Desk Tops—Plastic tops for school desks are revolutionizing the school desk industry in the United States. A Cleveland firm began manufacturing hard plastic tops to replace old and damaged desk tops. This has developed into a multi-million dollar business because the tops are now being used both to replace old ones and for new desks. These tops resist the cutting and chipping efforts of young students, and pencil and crayon marks can be easily wiped off—Detroit, Nov. 18.

The Indonesian Market for Flour

Though Indonesians are using more flour, Canada ranks after Australia and the U.S. as a supplier—and present conditions make increased sales difficult.

DJAKARTA—Since 1948, Indonesia has steadily increased its consumption of flour and imports have risen from 63,797 metric tons in 1948 to an estimated 150 thousand metric tons in 1953. During these years the United States and Australia have been the principal sources of supply but small quantities have also been purchased from Canada. At present, the local flour market is rather speculative and, as a result, high quality is not an important factor in selling. The method of licensing flour imports creates financial problems for Indonesian national importers and makes it almost essential for them to buy from the nearest and cheapest source.

Licensing and Financing Problems

Flour is under import control in Indonesia and at the moment only Indonesian national importers are being granted licences. After receiving an import licence, the importer must apply for a foreign exchange permit and at the same time must deposit in rupiahs with the Foreign Exchange Control Institute 75 per cent of the foreign exchange value of the licence. In addition, the importer must also arrange for the necessary letters of credit.

This places a heavy financial burden on the Indonesian importer and in many instances he must seek financial assistance from large importers or dealers. But because the importer cannot transfer the import permit, he finds that outside financial aid is limited. One important result is that, to save money on financing charges, he prefers to purchase flour from the nearest source of supply—Australia.

Although the Indonesian import control authorities do not place any restrictions on the country from which the importer may purchase flour, they appear to favour orders being placed in Australia. This may be partly because there is more sterling than dollar exchange on hand, and partly because the flour is cheaper and delivery is quicker.

The following table shows the imports of flour by country of origin for the years 1948 to 1952, and for the first seven months of 1953:

Country of Origin	1948	1949	1950	1951	1952	Jan.-July 1953
			(in metric tons)			
Australia	882	496	22,319	62,522	77,385	56,035
United States..	61,044	67,629	31,289	53,414	50,650	15,831
Canada	1,602	392	....	9,810	16,873	1,455
Others	349	100	....	506	124	....
	63,877	68,617	53,608	126,252	145,032	73,321

Source: Central Bureau of Statistics.

These figures show the large gains Australia has made in this market; since 1951 it has been supplying from 50 to 70 per cent of the flour imports. On the other hand, shipments from the United States, which was the chief source of supply in 1948, 1949 and 1950, have declined. During the postwar years Canada has not had a large share of this market; imports in 1952 reached 16,873 metric tons but the first seven months of 1953 have witnessed a sharp drop.

Outlook for Canadian Flour

The possibilities of increasing sales of Canadian flour in Indonesia under existing conditions do not appear encouraging. Three factors work against it—prices, time of delivery, and financing costs.

Current prices of Canadian flour (both under the International Wheat Agreement and not) are substantially higher than Australian prices and United States I.W.A. prices. Recent quotations received from Canada for I.W.A. flour, exclusive of commissions, were US$6.15 per 100 pounds, c. and f. Djakarta. Australian I.W.A. and non-I.W.A. flour, exclusive of commissions, was being quoted at approximately US$5.41 per 100 pounds c. and f. Djakarta.

Flour from Australia can be delivered within one month of placing the order; delivery from Canada takes close to three months from the time of the order.

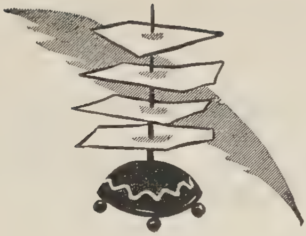
Financing costs are much lower on shipments from Australia because of the saving in shipping time. This is vital to Indonesian importers, who do not have much capital and who have to float loans to finance their orders. Quick delivery thus means a considerable saving in interest charges.

—W. D. Wallace
Commercial Secretary for Canada

Trade Commissioners on Tour

FROM TIME TO TIME Canadian Trade Commissioners return to Canada to bring themselves up-to-date on conditions in this country and to renew their contacts with businessmen here. Details of their itineraries appear regularly under this heading, as a service to exporters and importers who would like to discuss trading problems with them.

D. S. Armstrong, Canadian Government Trade Commissioner in Singapore, completes his Canadian tour in Vancouver, December 1-11. Businessmen may get in touch with him through the Department of Trade and Commerce, 355 Burrard Street.



General Notes

AUSTRALIA

Copper Producers Request Government Aid—A special committee of the Federal Cabinet has been appointed to investigate the economic problems of copper production in Australia, as a result of a submission to the Government from the principal copper producers in the Commonwealth. The producers asked for economic protection against falling world copper prices while Australian production costs remain at a peak.

The larger copper mines are working on an extensive scale and stability depends on the exploitation of large quantities of low-grade ore. Falling prices have threatened several of the producers with big losses. The industry is understood to have asked the Government for aid either in the form of a duty on copper or a bonus on production—Melbourne, Nov. 3.

BRAZIL

Oil from Bituminous Shale—An American firm is reported to have signed a contract with the National Petroleum Council to construct a distillery to produce 10,000 barrels of oil a day from bituminous shale. The distillery will use shale from deposits located in the Taubate-Tremembe region between Rio and São Paulo. Reserves are calculated at more than three billion barrels and it is estimated that Brazil will save up to US$16·5 million a year in exchange when the distillery is working to capacity—Rio de Janeiro, Nov. 11.

CHILE

Sulphide Plant—The Council of the Chilean Development Corporation (CORFO) has agreed on the expenditure necessary to install and exploit a sulphide plant with a sufficient capacity to permit the use of lixiviation in the working process of oxidized copper minerals. This plant will fill a need in the Antofagasta province, as the lack of this reactive has intermittently paralyzed the copper industry. The production capacity of the plant has been estimated at 30 tons a day of 98 per cent acid, but this can be reduced to 15 tons a day without lowering its percentage yield. The cost will be Ch.$36 million and will be met by funds available under the Copper Law—Santiago, Nov. 14.

CUBA

Imports and Exports—Total imports in the first five months of 1953 amounted to $211 million, 82·2 per cent from the United States, 12 per cent from Europe, and the remaining 5·2 per cent from the rest

of the world. U.S. exports to this country accounted for rather more than three-quarters of the total, followed by Canada, Belgium, the United Kingdom and Italy.

Cuba's exports in the first six months of 1953 totalled $359·7 million, of which the United States, Cuba's principal customer, took $226·4 million. Destinations by continents were: America, $246·1 million; Europe, $75·5 million; Asia, $30·6 million; Oceania, $30,023, and Africa, $7·4 million—Havana, Nov. 16.

ICELAND

Industrial Development—A nitrogenous fertilizer plant with an annual capacity of 6,000 tons of pure nitrogen (N_2) will be completed in Iceland at the end of this year. About half of the production will be available for export. Two hydro-electric developments at Sog and Laxa, which will double the present electricity production from 235 million units to 465 million units by 1956, will also be completed this year. Construction has just begun on a cement plant with an annual capacity of 75,000 metric tons—London, Nov. 19.

SOUTH AFRICA

Trade Balance Improves—The unfavourable trade balance was reduced by £14·5 million in the first half of 1953. During this period, imports declined to £211·6 million from £230·4 million, and exports declined by only £3·3 million to £165·1 million. Principal exports during the first half of 1953 were (in million £): wool, 31·6; processed gold, 30·6; diamonds, 10·3; fruit, 9·5; copper, 3·4; wattle bark and extract, 4·3; asbestos, 3·2—Cape Town, Nov. 9.

UNITED KINGDOM

Exports Rise—Exports in October rose by £27 million over September to reach £237 million. With a smaller increase in imports to a total of £279·9 million, the United Kingdom visible adverse trade balance declined from £59·2 million in September to £42·9 million in October.

Exports to North America improved slightly in October to £27 million. Shipments to Canada stood at £13·3 million in October, compared with the monthly average of £12·8 million for the third quarter of this year—London, Nov. 18.

VENEZUELA

French Trade Mission—A French trade mission of 25 members visited Venezuela in early November. Eight days were spent in Caracas, visiting government departments, organizations, and private enterprises. French industry was represented on the mission by high officials of the steel, chemical, transportation equipment, shipbuilding, paper and liquor industries. A busy schedule was arranged, to ensure that members were introduced to the important purchasers of their respective products and services. It is reported that a Venezuelan Trade Mission has been invited to visit France some time during 1954—Caracas, Nov. 13.

Blueprinting Industrial Development

Report of the U.K. industrial mission which visited this area last winter indicates the lines which development might follow and discusses some of the problems involved.

KINGSTON—Last year, a mission appointed by the United Kingdom Secretary of State for the Colonies visited the British West Indies. The function of this five-man mission, composed of prominent British industrialists and led by Mr. J. L. S. Steel, director of Imperial Chemical Industries Ltd., was to survey industrial development in the territory and make recommendations about the scope and direction of future expansion. The mission's report was released this fall. Here is a brief summary of the main points, with particular emphasis on the program for Jamaica.

Manufacturing industry, the mission found, has made steady and substantial progress in the British West Indies in the last twenty years. Given stable political conditions and a suitable climate for investment, this rate of growth should continue and production double during the next ten years. To accomplish this, however, power development will have to be speeded up and water supplies and transportation services improved. In Jamaica alone, not less than £50 million of new capital will be needed in the coming decade for industrial plant and machinery, power development, and other services.

Domestic Market Must Grow

Apart from agricultural products, the growth of industry depends upon a corresponding growth in the domestic market because there seems little prospect of manufacturing goods in the British West Indies for export to North, Central and South America. This increased domestic purchasing power must come from an expansion of agricultural production—an expansion which the mission considers feasible.

Industrial production cannot by itself solve the population problem, the mission concluded, but it can make a valuable contribution. A doubling in production would mean an increase of approximately 25 per cent in the numbers employed in manufacturing. In Jamaica, this would barely equal the population increase in one year. Yet any attempt to spread work, to encourage industries with a high labour consumption, or to discourage the introduction of modern mechanized techniques would lead to high operating costs, failure to compete, and impoverishment of the economy.

One of the measures developed in past years to hasten industrial development was the "Pioneer Industries" law. Under this legislation, new industries coming to the area may bring in, free of import duties and

surcharge, materials for constructing and setting up their factories. The mission took the view that this law should be substantially modified and increased depreciation allowances substituted for specific tax concessions. It also recommended that the Industrial Development Corporation, though an excellent vehicle for assisting industry through loans or investments, should not itself operate industries.

The Labour Problem

One of the problems that must be solved if industry is to expand is the training of skilled labour. The mission made some suggestions on this score and set out a scheme for training BWI apprentices in the United Kingdom. Their report also undermines the widely-held belief that labour is cheap compared with the U.K. This, said the mission, is not borne out by the facts nor is it likely to be true in the future. An examination of existing wage rates and productivity reveals that the average labour component cost is at least equal to that in Britain.

Expert industrial advice, difficult to obtain locally, might be received, the mission suggested, from Britain.

Processing Agricultural Products

The processing of agricultural products appears to offer attractive development prospects. One example is the expansion of the soap and edible oils industry, but this is limited by the shortage of coconut palms. A further 15,000 acres should be planted to palms in Jamaica, said the mission. At the same time, centralized processing in modern factories should be considered, contingent upon customs union and cheaper inter-island freights. This would lead to the allied production of coir fibre. There appears to be room also for the expansion of the fruit-canning industry but it should be carried out under uniform and higher standards. Some high-grade specialties, such as sauces, pickles, chutney, etc., might well be turned out in greater quantity but the lack of soft fruits and the high cost of importing glass jars works against the large-scale making of jams and preserves.

Industrial Opportunities

Jamaica possesses gypsum and limestone deposits as well as good marls and clays. As a by-product of the processing of these, the mission suggested plants to turn out concrete pipes and installation of spinning factories for glazing them; greater production of concrete building blocks, coloured floor tiles, gypsum building materials, asbestos cement sheets, pipes and guttering, and standardized components in home construction made from local materials, such as door and window frames from kiln-dried hardwoods.

Under the heading of engineering industries, the mission suggested that welding be expanded. It also regarded as promising industries based on the local assembly of imported parts, such as the building of truck and bus bodies, hand trucks, and conveyors; the making of light castings and builders' hardware, small die castings and domestic hardware, and the finishing of agricultural tools.

Four other industrial avenues seemed to the mission to be worth exploring:

- Expansion of the tanning industry, including chrome tanning, especially if an educational campaign among stock-raisers improves the quality of hides.

- The making of specially styled furniture from local decorative hardwoods, particularly for the local hotels.

- Extension of the printing industry, particularly colour printing.

- Increased manufacture of drugs from medicinal herbs and plants.

- Production of plastic articles by the injection moulding process and of laminated materials from cold-setting resins.

—M. B. Palmer
Canadian Government Trade Commissioner

Sweden's Agricultural Exports

STOCKHOLM—The surplus of bread grain in Sweden this year is estimated at a minimum of 400 thousand tons—approximately 300 thousand tons of wheat and 100 thousand tons of rye—if the remaining stocks of the 1952 harvest are included. The actual amount which will be exported is now being decided and, if the question of price and credit can be solved, Swedish wheat may be exported to trans-oceanic markets. So far, a contract is reported to have been signed with Brazil for the delivery of 50,000 tons. In addition, sales have already been made to West Germany (by far the largest buyer), Spain, the U.K. and Yugoslavia.

Sweden also has a surplus of 70,000 tons of fodder grain, 19,000 tons of butter and at least 10,000 tons of bacon. These are considered large surpluses for this country. Butter exports in 1953-54 are expected to result in a loss of about 15 million kronor, which will be covered by the Dairy Association's fund. The export loss on bacon is estimated at one krona per kilogram, or 10 million kronor for 1953-54. This deficit will, in principle, be covered by the producers themselves. So far the profits from meat imports, including certain import charges, have been sufficient to cover losses on bacon exports. The Government has decided also to introduce, if necessary, the so-called slaughter fee.

Total loss on agricultural exports in 1948-49 was only about two million kronor; in 1949-50 there was no loss. The years 1950-51 and 1951-52 showed a profit of about five and seven million kronor, respectively. The loss from export sales for 1952-53 was much larger—according to preliminary figures, about 25 million kronor. Exports for 1953-54 will presumably result in even larger losses. As mentioned above, there will be a loss of 25 million on butter and bacon exports, in addition to a loss on wheat exports which cannot yet be estimated.

Trade and Tariff Regulations

BERMUDA

Licensing Notices—The Bermuda Supplies Commission advised importers on November 3 that packaged brown sugar and packaged white sugar, not exceeding two pounds in weight, may now be imported into Bermuda from Canada and the United States.

In another notice of the same date, importers were advised that packaged or tinned vegetable shortening, not exceeding three pounds in weight, may be imported from any source for arrival after December 21.

The above items were previously included in a list of goods for which import licences were not being issued for imports from dollar countries. Their importation continues subject to the licensing requirement.

GREECE

Number of Commercial Invoices Required—Most shipments to Greece, particularly those made under the new provisions permitting imports to be paid by cash against documents and by time drafts, will now normally require eight copies of the commercial invoice. This will ensure that enough copies will be available for the various offices dealing with the draft, the customs clearance, the foreign exchange, and for the Invoice Price Check Committee.

Before July 1953, Greek regulations permitted imports to be financed only by letters of credit. At that time it was sufficient to supply invoices in quadruplicate—Athens, November 20.

JAPAN

Traders Receive Additional Retention Funds—Japanese trading firms are to receive special import foreign exchange allocations after November 10, equal to 10 per cent of the value of exports of goods shipped under United States procurement off-shore orders. At the present time, the United States off-shore procurement orders include shipments to Okinawa and the Republic of Korea. Japanese exports to Okinawa and the Republic of Korea cover such goods as fertilizers, coal, cement, railway ties and rolling stock, which totalled about $30 million over the past year.

The retention fund is provided for by the Japanese foreign exchange regulations. Under the regulations, exporters of all types of goods to all currency areas may retain control of 10 per cent of

the value of exports to be used for the import of certain raw materials, for payment of travelling expenses abroad, maintenance of overseas branches, payment of agents' commissions, foreign advertisement, and freight and insurance premiums.

TRINIDAD

Licensing Announcement—On November 16, the Controller of Exports and Imports, Trinidad, advised importers that all goods subject to import quotas which arrive in the Colony after December 31, 1953, or which are paid for after that date, will count against quota for 1954, even though such goods were ordered against 1953 quotas.

Importers were also notified that, until further notice, no licences for articles other than foodstuffs would be issued on hard currency areas for importation of goods in 1954, except in special circumstances.

With respect to allocations under the Token Imports Scheme, the issuance of licences against 1953 allocations will be discontinued after December 31, 1953. However, these licences will be valid for goods arriving in the Colony not later than March 31, 1954.

UNITED KINGDOM

Licensing Arrangements for Fertilizers—The Board of Trade, in Notice to Importers No. 595, announces that, effective November 13, the following organic fertilizers have been added to the list of goods admitted under World Open General Licence and may therefore be imported into the United Kingdom from any country without separate licences: alfalfa meal; lucerne meal; dried spent hops; dried blood; dissolved blood; bone, hoof and horn meal; bone powder; guano; steam bone flour, and tankage.

These items, if imported for use as feedingstuffs, are also covered by the W.O.G.L.

Applications for individual licences to import the following organic fertilizers from Canada, the United States, and other specified countries will be considered: urea and urea formaldehyde resin fertilizers, and leather scrap and waste.

Imports of meat meal, meat and bone meal, whale-meat meal, whale-meat and bone meal, liver meal, and fish meal, the notice states, will continue subject to the arrangements for Open Individual Licences effective since May 1st. (See *Foreign Trade,* May 2, 1953, page 22.)

As regards inorganic fertilizers, individual applications to import any of the following from Canada, the United States and other specified countries will be considered: liquid ammonia, basic slag, calcium cyanamide, chile nitrate of soda, mineral phosphates of lime (phosphate rock), and sodium nitrate.

UNITED STATES

Investigation into Imports of Fluorspar (Acid Grade) Discontinued—The United States Tariff Commission issued a public notice on November 24, 1953, stating that upon request filed on behalf of the applicants, the Commission has discontinued and dismissed the investigation instituted on October 29, 1953, under section 7 of the Trade Agreements Extension Act of 1951, and section 332 of the Tariff Act, with respect to fluorspar (acid grade).

Published in first issue of each month.

Foreign Trade Service Abroad

* No Foreign Trade Officer at this post.

Bentley's Second Phrase Code is used by Canadian Trade Commissioners.

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South Africa (Cape Province, Orange Free State), Southwest Africa, Mauritius, Madagascar	A. W. Evans, Canadian Government Trade Commissioner	Grand Parade Centre Bldg., Adderley Street, CAPE TOWN	*Mail:* P.O. Box 683 *Cable:* CANTRACOM *Tel.:* 2-5134/5
Spain Balearic Islands, Canary Islands, Gibraltar, Rio de Oro, Spanish Morocco, Tangier	E. H. Maguire, Commercial Secretary	Edifico España, Plaza de España, MADRID	*Mail:* Apartado 117 *Cable:* CANADIAN *Tel.:* 21-28-32
Sweden Finland	F. W. Fraser, Commercial Counsellor	Canadian Legation, Strandvagen, 7-C, STOCKHOLM	*Mail:* P.O. Box 14042 *Cable:* CANADIAN *Tel.:* 67-92-15
Switzerland Austria, Czechoslovakia, Hungary	Yves Lamontagne, Commercial Counsellor	Canadian Embassy, Kirchenfeldstrasse 88, BERNE	*Mail:* (City Address) *Cable:* CANADIAN *Tel.:* 4-63-81
Trinidad Barbados, Windward and Leeward Islands, British Guiana, Dutch Guiana, French Guiana, French West Indies	P. V. McLane, Canadian Government Trade Commissioner	Colonial Building, 72 South Quay, PORT-OF-SPAIN	*Mail:* P.O. Box 125 *Cable:* CANADIAN *Tel.:* 4787
United Kingdom (South of England, East Anglia, Scotland), Iceland, British West Africa (Gambia, Gold Coast, Nigeria, Sierra Leone)	R. P. Bower, Commercial Counsellor R. Campbell Smith, Commercial Secretary	Office of the High Commissioner for Canada, Canada House, Trafalgar Square, LONDON, S.W.1	*Mail:* (City Address) *Cable:* SLEIGHING *Tel.:* Whitehall 8701
United Kingdom	D. A. B. Marshall, Commercial Secretary (Agricultural)		
United Kingdom	G. H. Rochester, Commercial Secretary (Timber)		*Cable:* TIMCOM

Territory	Officer	City Address	Mail and Cables Office Telephone
United Kingdom (Midlands, North England, Wales)	M. J. Vechsler, Canadian Government Trade Commissioner	Martins Bank Building, Water Street, Liverpool	*Mail:* (City Address) *Cable:* Canadian *Tel.:* Central 0625
United Kingdom (Northern Ireland)	T. G. Major, Canadian Government Trade Commissioner	36 Victoria Square, Belfast	*Mail:* (City Address) *Tel.:* 21867
United States Delaware, Maryland, Virginia, West Virginia	R. G. C. Smith, Commercial Counsellor	Canadian Embassy, 1746 Massachusetts Ave., N.W., Washington, 6, D.C.	*Mail:* (City Address) *Cable:* Canadian *Tel.:* DEcatur 2-1011
United States	Dr. W. C. Hopper, Agricultural Counsellor		
United States (Connecticut, New Jersey, Pennsylvania, New York), Bermuda	A. E. Bryan, Deputy Consul General and Trade Commissioner	Canadian Consulate General, 620 Fifth Ave., New York City	*Mail:* (City Address) *Cable:* Cantracom *Tel.:* JUdson 6-2400
United States	M. B. Bursey, Consul and Trade Commissioner (Fisheries)		
United States (Massachusetts, Maine, Rhode Island, Vermont, New Hampshire)	D. H. Cheney, Trade Commissioner	Canadian Consulate General, 532 Little Building, 80 Boylston Street, Boston 16	*Mail:* (City Address) *Cable:* Canadian *Tel.:* HAncock 6-4320
United States (Illinois, North Dakota, South Dakota, Minnesota, Wisconsin, Indiana, Iowa, Kansas, Nebraska, Kentucky, Missouri)	R. V. N. Gordon, Trade Commissioner	Canadian Consulate General, Chicago Daily News Bldg., 400 West Madison Street, Chicago 6	*Mail:* (City Address) *Cable:* Canadian *Tel.:* STate 2-7312
United States (Michigan, Ohio)	B. C. Butler, Consul and Trade Commissioner	Canadian Consulate, 1035 Penobscot Building, Detroit 26	*Mail:* (City Address) *Cable:* Canadian *Tel.:* WOodward 5-2811
United States (City of Los Angeles, Southern California, Arizona)	Consul General	Canadian Consulate General, 510 West Sixth Street, Los Angeles 14	*Mail:* (City Address) *Tel.:* VAndike 7114
United States (Louisiana, Texas, Oklahoma, Arkansas, Mississippi, Tennessee, Alabama, North Carolina, South Carolina, Georgia, Florida)	G. A. Newman, Consul and Trade Commissioner	Canadian Consulate, 215-217 International Trade Mart, New Orleans	*Mail:* (City Address) *Cable:* Canadian *Tel.:* RAymond 2136
United States (Northern California, Wyoming, Nevada, Utah, Colorado, New Mexico), Hawaii	Consul General	Canadian Consulate General, 3rd Floor, Kohl Building, 400 Montgomery Street, San Francisco 4	*Mail:* (City Address) *Tel.:* SUtter 1-3039
United States (Oregon, Idaho, Washington, Montana), Alaska	Consul General	The Tower Building Seventh Avenue at Olive Way, Seattle 1, Washington	
Uruguay Paraguay	W. Gibson-Smith, Commercial Secretary	Canadian Embassy, Montevideo	*Mail:* Casilla Postal 852 *Cable:* Canadian
Venezuela Netherlands Antilles	J. A. Stiles, Commercial Secretary	Canadian Embassy, Edificio Pan American, Puente Urapal, Caracas	*Mail:* Apartado 3306 *Cable:* Canadian *Tel.:* 55818
Venezuela Colombia	Acting Agricultural Secretary		

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02531.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Nov. 26*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1300	
		Basic buying	·1951	
		Preferential selling	·1951	(1)
		Basic selling	·1300	
		Free	·0702	
Austria	Schilling		·03751	
Australia	Pound		2·1940	
Belgium Luxembourg & Belgian Dependencies	Franc		·01957	
Bolivia	Boliviano	Official	·00513	
British West Indies	Dollar		·5714	(3)
	Pound		2·7425	(4)
	Dollar	Brit. Honduras	·6856	
Brazil	Cruzeiro	Official selling	·05182	tax 8% (2)
		Effective buying	·03439	(5)
		Coffee buying	·04175	
Burma	Kyat		·2048	
Ceylon	Rupee		·2057	
Chile	Peso	Official	·00887	
Colombia	Peso	Basic	·3901	
Costa Rica	Colon	Official	·1737	(6)
		Controlled free	·1468	*
Cuba	Peso		·9753	tax 2%
Czechoslovakia	Koruna		·1355	
Denmark	Krone		·1412	
Dominican Republic	Peso		·9753	
Ecuador	Sucre	Official	·06502	(7)
		Free	·05592	
Egypt	Pound		2·8007	
Fiji	Pound		2·4707	
Finland	Markka		·00424	
France	Franc		·00279	
French Africa	Franc		·00558	
French Pacific	Franc		·01534	
Germany	D Mark		·2322	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9753	
Haiti	Gourde		·1951	
Honduras	Lempira		·4877	
Hong Kong	Dollar	Free	·1641	*Nov 13
Iceland	Krona	Official	·05989	
		Special buying	·04611	
		Special selling	·03715	
India	Rupee		·2057	
Indonesia	Rupiah	Basic	·08555	(8)
		Dollar certificate	·00184	*

*** Latest available quotation date.**

Country	Unit	Type of Exchange	Canadian dollar equiv. Nov. 26	Notes (See below)
Iran	Rial	Official	·03024	
		Certificate	·01013	*
Iraq	Dinar		2·7309	
Ireland	Pound		2·7425	
Israel	Pound	Basic	2·7309	
		Investment	·9753	(9)
Italy	Lira		·00156	
Japan	Yen		·00271	
Lebanon	Pound	Free	·3006	
Mexico	Peso		·1128	
Netherlands	Guilder		·2567	
Netherlands Antilles	Guilder		·5172	
Nw Zealand	Pound		2·7425	
Nicaragua	Cordoba	Effective buying	·1478	(10)
		Offical selling	·1383	
		With Surcharge I	·1211	
		With Surcharge II	·09704	
Norway	Krone		·1365	
Pakistan	Rupee		·2948	
Panama	Balboa		9753	
Paraguay	Guarani	Basic	·06502	(1)
		With Surcharge I	·04644	(11)
		With Surcharge II	·03251	
Peru	Sol	Certificate	·05139	
Philippines	Peso		·4877	tax 17% (2)
Portugal	Escudo		·03404	
El Salvador	Colon		·3901	
Singapore & Malaya	Straits dollar		·3200	
South Africa (Union of)	Pound		2·7425	
Spain & Dependencies	Peseta	Basic buying	·04453	
		Basic selling	·08692	
		Basic commercial selling	·05937	(1)
		Free	·02504	
Sweden	Krona		·1885	
Switzerland	Franc		·2267	
Syria	Pound	Free	·2756	*Oct. 15
Thailand	Baht	Official	·07802	(1)
		Free	·05262	*Sept. 30
Turkey	Lira		·3483	
United Kingdom	Pound		2·7425	
United States	Dollar		·9753	
Uruguay	Peso	Official	·6421	
		Basic buying	·5479	
		Special buying	·4150	(1)
		Basic selling	·5133	
		Special selling	·3981	
Venezuela	Bolivar		·2911	(12)
Yugoslavia	Dinar		·00325	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador; Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

foreign trade

DECEMBER 12, 1953

Testing Out the U.S. Market (page 2)

foreign trade

OL. 14 OTTAWA, DECEMBER 12, 1953 NO. 363

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by John David Synder

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Testing Out the U.S. Market

The great interest aroused by Mr. Bryan's article "How to Sell in the U.S. Market" in our October 10th issue has prompted us to continue the discussion. This week the Canadian Consul and Trade Commissioner in Detroit, drawing on his experience in several U.S. posts, suggests how Canadian manufacturers can make trial of the U.S. market—and recommends Michigan and Ohio as promising areas in which to undertake this type of prospecting.

DETROIT—Almost every year, Canada's merchandise trade with the United States shows a deficit, as Canadians continue to buy more goods from the United States than they sell to her. Well-informed U.S. businessmen find it hard to understand why this situation prevails. Why do the 160 million Americans buy less from Canada than the 15 million Canadians buy from the United States? Can we step up our selling there and balance the trade? If so, what types of goods stand the best chance?

It is difficult to answer this question directly, because many Canadian products have never been offered in the U.S. market. We Trade Commissioners can suggest general categories of goods that might sell, but we rarely have offers from the actual Canadian producers to discuss with prospective buyers or their agents. If a prospect expresses an interest in a particular line, we can obtain details and perhaps prices for him. But this takes time and the opportunity may be lost.

Many imported products find it almost impossible to surmount the barriers of U.S. tariffs, food and drug regulations, packaging and labelling requirements, and other laws or restrictions. Canadian producers, however, should not assume that the way is barred until they have made a full study. Better quality, distinctive design, or some other feature may mean that a line will sell despite these obstacles. Only actual trial can determine whether a product will find a market in the U.S., over either the short or the long term. Are enough Canadian companies making this effort to assess the prospects for their goods across the border?

Michigan and Ohio as a Market

Writing in this magazine several weeks ago, our New York colleague expressed concern over the failure of many Canadian manufacturers to examine the opportunities for their goods in the territory covered by his office. We in Detroit have even more reason to be surprised and perhaps worried. Our territory includes the states of Michigan and Ohio, an area that is linked in many ways with the most southerly part of Canada. These links should make entry into this market simpler.

For example, Canadian banking, insurance and other financial institutions have an unusually close relationship with their counterparts in Michigan and Ohio. Railways, trucking companies, airlines, and other

transportation interests are similarly related; electric power is exchanged; agricultural and fisheries products move across the border in each direction, as the seasons dictate.

Above all, Canadians have close and friendly ties with the people of these two states and Michigan and Ohio folk are unusually receptive to Canadian ideas and products. The tourist industry promotes further understanding; thousands of Michigan and Ohio families maintain summer homes in Canada and live there for several months each year. Radio programs cross the border every day, and service clubs and other organizations exchange visits.

United States businessmen have been quick to reap the benefit of all this but Canadian manufacturers have held back. But it is not necessary to think of the entire U.S. market when considering sales there, nor even of two entire states. A small section—even one city—may offer enough scope.

Some Market Facts

The population of Michigan and Ohio nearly equals that of Canada—6·6 million in Michigan and 8·1 million in Ohio. With some 9·5 per cent of the total U.S. population, they account for over 17 per cent of the national manufacturing output. They constitute, in fact, the most highly industrialized area of the United States, with over 25,100 manufacturing plants. Michigan is the leader in the automobile industry, with Detroit, Flint and Lansing as its centres; Battle Creek makes cereals; Grand Rapids, furniture; Kalamazoo, paper and drugs; Midland and Wyandotte, chemicals.

Ohio is a great iron, steel and metal-working centre. Cleveland has the largest number of these heavy industries and machinery plants but Cincinnati, Dayton, Youngstown, Warren, Akron, Toledo, Canton and Columbus are also important. Annual earnings of a factory worker in Michigan average $3,900 and in Ohio, $3,700.

Michigan contains 67,000 retail establishments and Ohio 88,000 and their combined sales in 1951 totalled some $13·5 billion—over 10 per cent of the national total. Wholesale businesses in the two states number 19,500, with sales in 1951 of about $17 billion, or 9 per cent of the national total. Michigan has 21,500 service establishments and Ohio 29,000.

Main Centres Important

Biggest city in the two states is Detroit, with a population in its metropolitan area of 3·1 million (about half the entire population of Michigan). It ranks as the fifth city of the U.S. in size and the third in volume of business, industry and banking. Few cities have a higher standard of living. Over half of its families have annual incomes of over $6,000 and the per capita annual income is $1,600.

Detroit is also a gateway for international commerce—and that is one reason why its business leaders staunchly support a freer national trade policy towards imports. It is the fourth U.S. port in value of imports and exports; exports in 1951 through the customs district of Michigan (mainly Detroit) totalled $974 million and imports $562 million.

Then there is Cleveland, with its metropolitan area containing 1·5 million people, Cincinnati with 900 thousand, and several smaller cities in both states. The size, wealth and varied demands of this market and

the many sales channels open should need no further emphasis. Places like Detroit, Cleveland, or some of the smaller cities offer valuable and convenient "proving grounds" for the sale of Canadian goods in the United States.

Place of Small Business

One other fact should be stressed. Many small Canadian manufacturers seem to feel that they cannot compete with U.S. industries because of their vast output and nation-wide sales organizations. It may surprise these Canadians to learn that, of the 11,400 factories in Michigan, over 10,000 employ fewer than 100 people each. Of the 13,700 manufacturing plants in Ohio, 11,500 have fewer than 100 employees each. This means that more than 85 per cent of the industries are small businesses—most of them, in fact, about the size of the average Canadian plant.

These small Michigan and Ohio factories market their output within a relatively small radius. They cannot afford any larger advertising or sales expenses than their Canadian counterparts and are no better placed geographically to compete in certain centres. They may be protected by the tariff but the Canadian producer may still be able to compete because of efficient operation, the design and packaging of the product, or other factors. The importance of these points only actual trial can determine.

Salesmen Wanted

How should a Canadian manufacturer go about accepting the challenge which these markets offer? It cannot be done by correspondence alone; it must be done by personal canvass. The Canadian Trade Commissioner can help by providing leads, arranging appointments, and clearing up difficulties over customs or other regulations. But it takes an experienced man who knows the distinctive features of his product thoroughly to put it over in this market. The U.S. buyer is accustomed to dealing with first-class salesmen who make it easy for him to place an order by employing persistent salesmanship, including regular visits. Unless he is sold in this way, the U.S. buyer is not likely to succumb. Certainly he does not have to seek new sources of supply when every morning brings a line-up of salesmen waiting to show him competitive products.

Try out this technique and you will probably find that it brings results. Few Canadian salesmen who have visited the territory of the Detroit office have gone home without at least one trial order. And Detroit is only a bus ride from Windsor, which many salesmen visit regularly. It is a good, typical U.S. market and fully deserves attention.

What to Sell

What sort of products should Canadians try to sell in this area? Exports to the United States from Canada have totalled some $2 billion a year in recent years and naturally have covered a wide range of goods. Ranking high are the well-known and basic items like newsprint, lumber, Christmas trees; fish and seafood products; metals; live animals and animal products; miscellaneous agricultural products including fresh fruits, vegetables; whisky, etc.

In this study, however, we are particularly interested in the U.S. as an outlet for Canadian factory products. A study of the commodities entering regularly or occasionally from Canada through the port of Detroit yields a long and diverse list of manufactures and processed goods. The following examples were chosen at random:

Wallpaper; house slippers and moccasins, men's and children's shoes, leather; boot clips; men's and children's hosiery; jams, jellies, puddings, fruit cake; plywood; radioactive supplies and equipment for hospitals; tractor and farm implement tires; motor car parts for assembly; tools and dies, forgings and castings; tiles, chemicals; herbs; hairpins; ice skates; charcoal.

This list represents the efforts of many individual Canadian firms whose salesmen have visited the market from time to time and who have either established regular accounts or ship whenever conditions seem favourable. In several cases, the Consulate at Detroit helped in the initial stages by securing interpretation of regulations, arranging introductions, or providing similar services.

Success Depends on Teamwork

If Canada is to make a successful bid for a larger share of the United States market, more Canadian firms must be prepared to participate in the effort. Only in this way can they, and we of the Trade Commissioner Service, gradually discover the lines that will sell despite customs and other regulations. No new organization is needed; it calls only for greater zeal on the part of Canadian manufacturers, plus teamwork between Canadian sales representatives visiting the United States and Canadian trade officials stationed there.

Given a few days' notice, the Trade Commissioner can prepare for a salesman's visit and perhaps arrange a few interviews that will give him the information he seeks. Some of these calls may produce trial orders which, when filled, will provide the manufacturer and the buyer with the information they need—information about customs treatment, transportation costs, and especially *delivered price*. With this data, the prospects for further business can be assessed. Without these facts—and especially a firm delivered price—our efforts to sell many products in the U.S. cannot bear fruit.

—B. C. Butler
Consul of Canada and Trade Commissioner

Tour of Territory

G. A. Cooper, *Assistant Canadian Government Trade Commissioner in Guatemala City, Guatemala, will visit Tegucigalpa and San Pedro Sula in Honduras, and Managua in Nicaragua from January 7th to 16th. Businessmen interested in these two countries should get in touch with the Trade Commissioner in Guatemala City as soon as possible.*

The Irish Republic in 1953

—40 thousand 'Young People' 'Sod' in 53 90% went to Britain

- *Production of industrial and consumer goods up.*
- *Long-range program for agriculture mapped out.*
- *Imports from dollar area have fallen this year.*

DUBLIN—Business in the Irish Republic has been relatively good during the past summer, with industrial production up, the output of consumer goods increasing, and imports rising. The tourist season appeared to be as successful as in 1952, when some 3¾ million visitors spent nearly £32 million in this country. Agriculture fared well throughout the spring and summer. In fact, the one cloud on the horizon is the growing threat of unemployment.

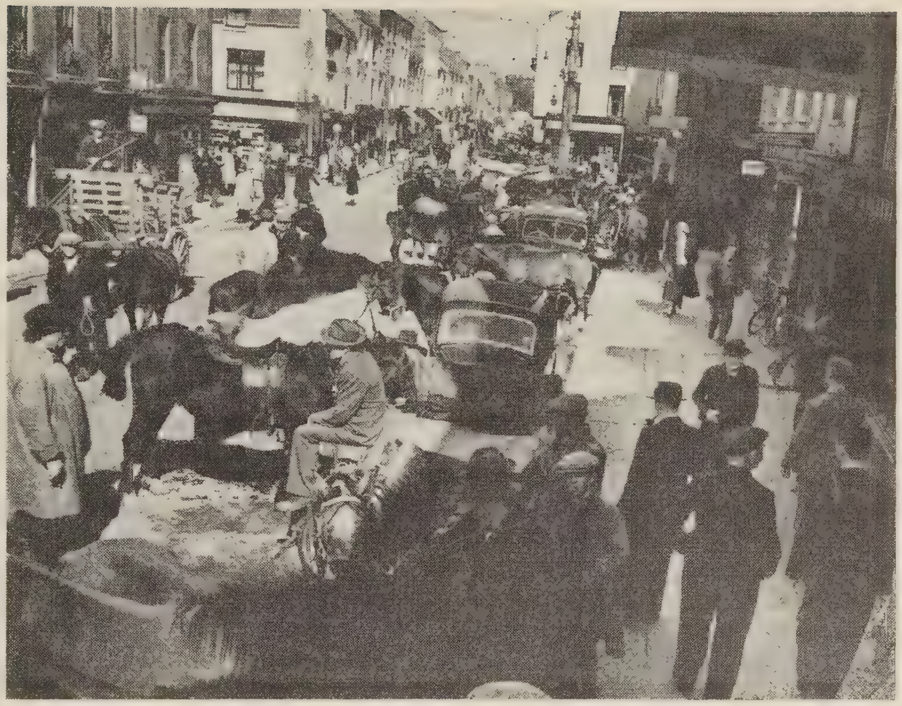
Industrial Production

The quarterly index of the volume of production of industries producing transportable goods (1936=100) rose to 182·4 for the second quarter of 1953, compared with 163·1 for the same period of 1952. The industries contributing most to this increase were bacon curing, sugar confectionery and preserves, textiles and clothing, boots and shoes, leather, paper, and fertilizers. The consumption of cigarettes appears to have recovered from the setback which resulted from the high duties imposed in the 1952 Budget, but the malting and distilling industries still are below the June 1952 level. The metal, engineering and implements industries showed seasonal increases but the general trend of production appears to be downwards. The production of flour is down slightly but this is counterbalanced by increases in other milling products.

Tackling Unemployment

The unemployment situation, which gave cause for alarm last spring, improved during the summer months. There are signs, however, that it is deteriorating again but a comparison with past years is difficult because of a change in the social security legislation which apparently led a larger number of persons to register. The Government and the Corporation of Dublin have, during the past two or three months, inaugurated a number of projects aimed at providing employment. The Government has also intensified its drive to encourage the establishment of new industries outside the Dublin metropolitan area. One result was the recent opening of a new spinning mill in Co. Mayo and the setting up of a fertilizer plant in Co. Wexford. The latter is expected to go into production early in 1954.

A long-term program to modernize the state-owned railway system has been announced by the Minister for Industry and Commerce. The Government in October issued a £25 million loan yielding 4½ per cent and about £22·5 million was subscribed. Municipal housing schemes are being continued but privately financed residential construction is



A typical Fair Day in Killarney, Co. Kerry, sees main streets crowded with farmers and traders. Program is under way to step up Irish farm production and improve quality of products and marketing methods.

slack. Industrial construction is holding up well and a number of public buildings—such as hospitals, schools and government offices—are either under way or on the drafting boards.

In examining the industrial picture, the rural areas are not being forgotten. Another weaving centre is being established in Co. Donegal to turn out hand-woven tweed for export to North America and other overseas markets. Prospects seem good and boys and young men are being specially trained in this trade under the auspices of the Gaeltacht Services Division of the Department of Lands. Another development is expanded production of a cattle-food prepared from the seaweed (Ascophyllum or rockweed) collected in Connemara. Hand-made toys are also beginning to be exported to Canada.

Preliminary figures indicate an increase of 19,300 acres (1·8 per cent) in grain crops and of 12,700 acres (2·1 per cent) in root and green crops, compared with 1952. The higher price for wheat has resulted in an increase from 254,400 to 352,200 acres (38·5 per cent), mainly by diverting land from the growing of oats and barley. Smaller sales to the distillers because of the reduced demand for their products resulting from higher taxation have been a contributing factor. Decreases in the area planted to potatoes, turnips and mangels were more than offset by increases in sugar beet and green crops, such as cabbages. At the end of September pastures were in excellent condition and although heavy rains and high winds damaged hay crops, supplies for the winter appear ample.

The numbers of cattle and sheep have increased slightly but the outstanding feature of the livestock industry has been the sharp rise in pig production. The total number of pigs rose from 719,400 on June 1,

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1952, to 879,400 on June 1, 1953, an increase of 22·2 per cent. Supplies of feed appear to be ample and the opening of a new plant to make protein feedstuffs will help further. Home consumption of bacon has grown but prices are dropping as a result of the larger supplies coming on the English market both from Great Britain and Northern Ireland. Supplies of milk to creameries in September were larger than a year ago and exports of eggs also increased. The index of agricultural prices for September 1953 stood at 322, compared with 316 in August and 292 in September 1952.

Program for Agriculture Outlined

Soon after the opening of the autumn session of the Dail, the Minister for Agriculture outlined an extensive program for bettering conditions in agriculture and bringing about a general increase in production and an improvement in quality and in marketing methods. The program includes:

1. The granting of better credit facilities to farmers to encourage increased mechanization.
2. Land reclamation to increase the fertility of non-productive and under-productive land.
3. Use of better seeds.
4. Increased tillage.
5. Breeding of more productive and better livestock.
6. Control of stock and crop diseases.
7. More extensive use of fertilizers.

One of Ireland's problems is stepping up the output of electric power. An eight-year power production program involving the greatest possible use of peat and waterpower resources is to be implemented by the Electricity Supply Board in co-operation with Bord na Mona (Irish Peat Board). This plan includes the construction of seven large and four small peat-fired stations, one coal-fired station, and four more hydro-electric schemes. The new plants will be capable of increasing the electricity output of the country by about 50 per cent. So far about 70 per cent of the potential waterpower of the Republic has been harnessed. The next hydro-electric scheme will be built on the River Clady in Co. Donegal.

Pattern of Trade

The trade picture has begun to look a bit brighter. The adverse balance for the nine months January to September 1953 was £47,700,000, compared with £57,400,000 over the same period in 1952. At current prices, imports for the nine months were valued at £131,600,000, compared with £129,700,000 in 1952. An increase in the volume of imports from January to September was counteracted by a fall in prices, which resulted in a rise of only £1,900,000 in imports. If prices had remained at the 1952 level, the rise would have been £11 million.

Imports from the dollar area dropped from £25,417,000 in the first nine months of 1952 to £17,066,000 over the same period in 1953; exports to the dollar area declined from £2,515,000 to £1,944,000.

Exports increased both in volume and price; £1,100,000 of the £11,600,000 rise in exports plus re-exports can be attributed to increased prices and £10,500,000 to an increase in volume.

—T. G. Major
Commercial Counsellor for Canada

Australia

The Pulp and Paper Industry Expands

Rapid expansion of this industry has helped Australia reduce her imports of pulp and paper; currency restrictions have cut Canada's share of the newsprint market from 80 to 15 per cent.

SYDNEY—Australia's pulp and paper industry has become, over the past few years, of major importance in the economy. Since 1939 the industry has expanded rapidly and now operates in all the states, with two mills in New South Wales, eight in Victoria, three in Tasmania and one each in Queensland, South Australia and Western Australia.

Before the pulp and paper industry was established many experts doubted that the idea was practical. They felt that the Australian eucalypts might not produce suitable pulp. But their fears proved unfounded and the short-fibred wood pulp produced from the eucalypts now forms the basis of the industry. Some long-fibred wood pulp from softwood trees is needed, however, and most of this is imported from the Scandinavian countries, the United States and Canada. Small quantities are produced in Australia from local pine plantations, and it is expected that 40,000 to 50,000 tons of New Zealand pulp will be available every year after 1954. Small shipments have already arrived from this source. Pulping plants using eucalypts are operating in Victoria and Tasmania; in South Australia pulp is produced from local softwoods.

Home Production and Imports

Australia's pulp production has increased from about 6,000 tons in 1938 to 98,896 tons in 1952 and an estimated 113,340 in 1953; consumption has increased from 42,000 tons in 1939 to 138,772 in 1952 and an estimated 160,312 tons in 1953. Pulp imports in 1939 were 37,704 tons, compared with 53,240 tons in 1952 and the 42,186 tons estimated for 1953. Thus, it is clear that the proportion of imported pulp has dropped sharply. Wood pulp production capacity is being increased to keep pace with increases in papermaking capacity, and by 1960 Australian pulp production is expected to reach 180 thousand tons. This expansion should increase the short-term need for softwood pulp imports to mix with eucalypt pulp to make higher grade paper. However, an ambitious softwood planting program is being undertaken by one large Australian company and this should eventually reduce Australia's dependence on overseas sources of supply for long-fibred pulps.

The only company producing newsprint in Australia is located in Tasmania and has a capacity of about 75,000 tons a year. Because of power restrictions the mill was operating at about 50 per cent of capacity for some time but it is now in full production. Australia's newsprint requirements are just under 200 thousand tons a year; by 1956 it should be about 250 thousand tons. Imports in 1952 were 139 thousand tons and

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will be about the same in 1953. Some decrease is expected during 1954 when additional supplies should be available from local production. Canada supplied about 80 per cent of Australia's prewar newsprint requirements, but in recent years currency restrictions have cut her share of this market to less than 15 per cent. There appears to be no prospect of increased imports from Canada in the foreseeable future. Australia's main suppliers now are the United Kingdom and the Scandinavian countries.

Other Papers and Paper Boards

Nearly all types of paper—with the exception of magazine printing paper—are produced in Australia, although not in sufficient quantities to meet local requirements. Demand for wrapping, printing, writing and other papers is estimated at about 180 thousand tons a year. Australia's production capacity is about 103 thousand tons, but the expansion programs now being undertaken should raise it to 140 thousand tons by 1956. Substantial imports will continue to be necessary to keep up with the greater demand.

Production of paper boards is sufficient to meet Australia's requirements, and the industry's growth is expected to keep pace with increases in demand. Imports should not be necessary except for special types of paperboard.

The long-range prospects are for Australia's dependence on imports of pulp and paper products to decrease, although some imports will be necessary for many years to come. It is doubtful whether Australia will ever be a substantial exporter of these items because of her limited resources of suitable pulping woods and her lack of cheap electric power.

—C. M. Forsyth-Smith
Assistant Commercial Secretary for Canada

Transportation

The Transportation and Communications Division of the Department of Trade and Commerce will be glad to supply shippers and others interested with information on water, rail, air and road transport services to and from Canada.

The Division has compiled a list of the principal Canadian trade routes and of the steamship companies maintaining services on them. To obtain this list and any further help with international transportation problems, write to the Director, Transportation and Communications Division, Department of Trade and Commerce, Ottawa.

FAIRS and EXHIBITIONS

For the Festive Board

MOST APPROPRIATE at this festive time of year is the appetizing display which was opened this week in the Canadian Showroom at Rockefeller Centre, New York, and will continue throughout December. It exhibits the products of 17 Canadian meat packing firms, including canned hams, steaks, beef and gravy, pork and beef luncheon meat, meat spreads, tongue and corned beef. Cured and smoked meats, such as hams, backs, bacon and picnics are also shown.

Attractive settings designed by the Canadian Government Exhibition Commission for the show feature framed scenes with cut-out figures of a cowboy on horseback rounding up a calf and a steer, a farmer perched on a fence contemplating his fat hogs, and a herdsman watching his sheep. Refrigerated display counters house the perishable items.

Since the end of World War II, slaughtering and meat packing has become Canada's second largest manufacturing industry, with a gross value of production in 1952 of $849 million. The number of plants has doubled in the last 25 years. Recently, Canadian meat exports have averaged about $70 million a year. Fresh beef, pork, lamb and mutton, and cured and smoked bacon and hams have been going in considerable volume to the United States, Bermuda, the British West Indies, Japan, Alaska, Hawaii and Venezuela. Pickled pork in barrels has also been exported to the British West Indies. Exports of canned hams this year set a record.

First Fair at Osaka

THE FIRST JAPAN INTERNATION TRADE FAIR will be held in Osaka from April 10 to 23, 1954, and December 31 is the deadline for applications for space. A warm welcome is extended to foreign exhibitors and visitors by the joint sponsors, the Japanese Government, Japan Chamber of Commerce and Industry, and the Japan International Trade Fair Committee. For information, write the Management Office, Japan International Trade Fair Commission, Honmachibashi, Osaka.

Exhibits at the Osaka fair will be classified as follows:

- *Textiles*—fabrics, fabric manufactures, wearing apparel, all other textile goods and yarns.
- *Machinery and Metals*—machinery, tools, vehicles, electrical apparatus, instruments and devices, utensils, hardware, etc.

- *General Sundry Goods*—chemicals, china and glassware, enamelware, leather and paper goods, stationery, toys and musical instruments, games, sport goods, art goods, household ware, food and provisions, etc.
- *Raw Materials*—Minerals, agricultural and marine products, and semi-manufactured goods.
- *Tourist Industry*—Pictures, printed matter, models, etc.

For manufacturers not represented in Japan the Osaka Foreign Trade Institute, a government body, will take charge of receiving, displaying and returning the merchandise.

Milan Trade Fair

ONE OF THE TOP EUROPEAN TRADE FAIRS, the Milan International, has set April 12-28, 1954, as the date for its thirty-third fair. Information about it can be obtained from the Italian Commercial Attaché, 133 Sparks Street, Ottawa, Ontario.

Canada had an official government display in the 1953 Milan Fair and will again in 1954; nine Canadian firms also exhibited. The fair grounds cover some 390 thousand square metres, with 187,258 square metres occupied by stands. Unofficial estimates indicate that 31 foreign countries and about 3,500 foreign firms, out of a total of more than 11,500 exhibitors, were represented at the '53 fair.

Cars Galore

FOR ITS FIFTIETH ANNIVERSARY the 1953 Motor Show at Earls Court, London, attracted the biggest crowds in its history. Buyers came from some 70 countries and among the 5,000 visitors from overseas were nearly 200 from Canada. The displays of cars, trailers, motor boats, marine engines and a vast range of accessories and equipment were particularly attractive to Englishmen this year because they can now buy a car at once . . . if they can afford it. Waiting lists for many models (although not all) are a thing of the past and prices have been reduced.

British car exports have been rising rapidly, according to the president of the Society of Motor Manufacturers and Traders. Sales abroad reached 30,000 in July '53, 12,000 above the February figure.

By Chilean Workers from Chilean Steel

CHILE'S METALLURGICAL INDUSTRY displayed its achievements as a group for the first time at an exhibition held in Santiago from October 29 to November 30. The 200 or more exhibits ranged from working tools to heavy machinery and railway coaches, all constructed from Chilean steel by Chilean workmen. The Huachipato Steel Works, displayed a steel high-tension tower and the fruit and vegetable canning industry demonstrated an automatic canning process. Each firm presented its principal products in use.

Washing Machines for Belgian Households

Despite stiff competition and some obstacles, Belgium offers a good outlet for Canadian washing machines—if the special requirements of this market are kept in mind.

BRUSSELS—Sales of Canadian washing machines in the Belgian market have had their ups and downs in the postwar years. In 1948, they totalled 22 tons; by 1951, they had climbed to 337 tons and represented 10 per cent of all washing-machine imports. Now they have dropped again and, for 1953, will probably not exceed 40 tons—less than 2½ per cent of total imports.

The chief reason for this slump in sales seems to be stiffer competition and the fact that Canadian designs and prices have not kept pace with Belgian requirements. British, German, U.S., Netherlands, and domestic manufacturers all have come on the market with machines especially designed to meet Belgian needs.

Though these facts seem rather discouraging, there is still a potential market in Belgium for Canadian washing machines. Household electric washing machines from Canada and from other dollar countries are admitted into Belgium under a monthly quota of 200 per cent by value of average monthly imports during the first six months of 1951. From February to June 1953, these quotas were fixed at 100 per cent of imports in the first six months of 1951.

Source of Imports

The following table gives the origin and value of imports of washing machines for the past few years:

Imports by Value

(in thousand Belgian francs)

	1948	1949	1950	1951	1952	(first 8 mos.) 1953
United Kingdom	18,641	93,105	121,899	142,622	93,579	55,071
United States	8,884	20,518	26,038	24,068	13,696	6,634
Canada	998	3,559	8,746	13,352	9,594	1,838
Germany	12	1,064	4,086	10,861	34,748	18,208
Netherlands	91	258	1,563	1,846	3,776	5,036
Total (including other suppliers)	30,243	123,027	163,967	194,018	155,762	87,189

A study of these statistics reveals that, from 1948-51 when total imports increased six times, imports from Canada during the same period increased by ten times. But this gain was not held.

Not until 1952 did the Belgian Statistical Institute include the number of machines, in addition to the weights and values, in official statistics. As a matter of interest, these were:

	1952
From—Denmark	2
France	9
Holland	1,106
Italy	8
Portugal	1
U.K.	30,090
Sweden	14
Switzerland	5
West Germany	9,856
U.S.	2,126
Canada	2,021
	45,238

	Jan.-Aug. 1953
From—Norway	3
France	3
Holland	2,216
Italy	3
Japan	1
U.K.	15,857
Sweden	6
Switzerland	6
West Germany	4,586
U.S.	1,020
Canada	337
Belgian Congo	1
Australia	6
	23,045

In 1952, imports of Canadian and American machines fell off and this decline was considerably accentuated during the first eight months of 1953. The above figures show that 4,147 machines were imported from North America in 1952, but only 1,357 up to the end of August 1953. This figure is not likely to increase during the next four months. Although total imports of washing machines over the same period have declined from 45,238 to 23,045 (eight months), the decline in imports from the U.S. and Canada has been proportionally much greater.

Competition Is Growing

In the meantime, companies in Belgium have begun to build more modern machines along the lines of the Canadian and U.S. models, and prices quoted are considerably lower than for Canadian imports. No less than 50 firms now turn out electric washers and spin-dryers, at prices ranging from 5,500 francs for a three kilogram model to 9,000 francs for a four kilogram model including gas heater. (One Belgian franc= $0·01979 Canadian.) Most of these machines are of the apartment type, usually square in shape, and fitted with a gas heater.

A recent survey has disclosed that there are at least 25 different imported models on the market, including eight U.S. machines, six British, six German, four Canadian, and one Dutch. They range in capacity from 1½ to 5 kilograms and in price from 15,950 francs for one of the American models down to 5,150 francs for a small English model with no pump.

Market Preferences

The Belgian housewife seems to prefer a small apartment-type machine with a capacity of 1½ to 2½ kilograms (3⅓ to 5½ lb.). A well-known Anglo-American company has the lion's share of the market at present with a machine of this description although similar machines are appearing in increasing numbers. These machines come either with or without hand-wringers and a pulsator replaces the usual beaters.

The trend seems to be towards square machines of all types in the belief that they can be more conveniently placed in a kitchen or wash-house and can even, in certain cases, be used as a table, especially when the wringer is removable. Streamlined machines in white enamel are the most popular.

In Belgium, hot water is not "on tap" as it is in the majority of households in Canada. Hot-water distributors in a Belgian house are the exception and hot water can usually only be obtained by heating water in a kettle or other receptacle on a gas stove or over a coal fire. Thus

a heater, especially for the larger machines, is practically essential. The high cost of electric current (four francs or $0·078 per kwh.) means that an electric heater is out of the question and the usual method adopted by local washing machine manufacturers is a gas-burning device (city gas or Butagas) fixed under the tub. This arrangement, which presents no appreciable technical difficulties, is being increasingly adopted by European manufacturers of electric washing machines. Another reason for the heater is the average Belgian housewife's belief that clothes must be boiled.

Dry-Spinners and Automatic Washers

The buyers also favour machines with a dry-spinner attached, but they are too high-priced to be within the reach of the ordinary householder. The ideal arrangement (which some manufacturers, both foreign and local, are adopting) is to supply machines either with or without wringers and to leave the choice of a wringer or a dry-spinner to the eventual purchaser. This scheme is all the more attractive because dry-spinners as separate units are manufactured locally by a number of firms. This means that many housewives already possess a dry-spinner. They might not be able to afford a Canadian machine complete with an electric wringer, but the reduced price of a machine *without* a wringer makes the purchase possible. Canadian electric washing machine manufacturers should take careful note of this.

There is some demand for automatic washers and their advantages are recognized, but the high price restricts sales to the more wealthy. Few distributors are interested because of the small volume of sales.

Electric Requirements

Machines intended for the Belgian market should be equipped with 50-cycle motors operating on 110, 123 or 220 volts A.C. Electric meters in Belgium are of low capacity (four to six amps) and a condensor or starting-charge should be attached to the motor. The wallplug should be of the three-wire type, including the earth wire. The forks of the plugs in Belgium are round and not flat as in Canada and the U.S. and, if it is not possible to supply plugs with round forks, an adapter should be furnished. Canadian companies should pay particular attention to this question of motors and the Belgian importers' instructions should be followed explicitly. In the past, Canadian motors of a whole shipment of machines have been wired exclusively for 125 volts or exclusively for 220 volts. The importer was forced to rewire a number of the motors at his own expense.

Terms of Payment

It is no longer possible to obtain payment by irrevocable letter of credit. Terms now range from cash against documents to 30 to 60 days' credit, by an accepted sight draft. Instalment buying has become common in Belgium and retailers grant payments extending over 36 months. While realizing the need for some flexibility in terms, Canadian exporters should make the fullest inquiries into the financial situation and integrity of their Belgian representatives.

In setting the f.o.b. Montreal price at which these machines should sell in Belgium, the Canadian exporter should remember the cost of ocean transport (about $8.00 per machine); the duty of 6 per cent on entry into Belgium; the "transmission" or sales tax of 9 per cent, levied on the duty-paid value of the machine, and the usual handling and inland transport charges to the distributors' warehouses.

Advertising

All the Belgian agents of Canadian manufacturers complain about inadequate and insufficient supplies of advertising material. These agents participate at their own expense in the principal Trade Fairs held periodically in Belgium. They consider they should be supplied, free of charge, with advertising material such as posters, show-cards, catalogues, illustrated circulars or folders, etc.—in English if French material is unavailable.

It should be possible for Canadians to increase their share of this market. There are still many Belgian households without an electric washer and if the Canadian exporter meets the price competition and caters to the market preference, he should be repaid in larger sales.

—Harold Jones
Office of the Commercial Secretary for Canada

The U.S. Retail Dollar

CHICAGO—The share of total United States retail trade transacted by department stores has fallen substantially since the war, reports the National Industrial Conference Board. The Board adds, however, that this has been due primarily to the disproportionate growth in sales by retail outlets not in direct competition with department stores, rather than to any failure on the part of department stores to keep pace with their competitors.

In 1945, the Board reports, department stores were receiving 8·3 per cent of the retail sales dollar, as compared with about 7·8 per cent just before World War II. However, by 1952 their portion had been cut to 6·3 per cent. In the first quarter of this year, department store business registered a new low of only 6·0 per cent of estimated retail sales.

In analyzing this percentage decline, the Conference Board points out that, although total retail sales more than doubled between 1945 and 1952, the sales of outlets not in direct competition with department stores—i.e., food stores, auto dealers, lumber yards, fuel dealers, etc.—increased even faster. Retailers in non-competitive groups, who did 63·5 per cent of all retailing in 1945, handled 69·7 per cent of all retail business last year. In the first quarter of this year, their share rose to an estimated 70·7 per cent of the total.

Commodity Notes

AUSTRALIA

Timber—The West Australian Conservator of Forests has reported that the present rate of sawn timber production in Western Australia is greater than the forests of the State can maintain. In 1952-53 output of 16,975,093 cubic feet exceeded that of any previous year. Thirteen million cubic feet were held in the State, three million cubic feet were exported interstate, and nearly one million cubic feet were sent overseas. Total exports represented 23·4 per cent of production. Total value of sawn timber for the 12 months was estimated at more than £8 million and the gross revenue was £678,150—Melbourne, Nov. 16.

CHILE

Sulphur—A total of 10,000 tons of Chilean sulphur will be exported to Germany from the port of Antofagasta by German shipping lines, which again have a regular service to Chile. This is said to be the first export of sulphur during the present year—Santiago, Nov. 13.

INDONESIA

Rami-Fibre—The Indonesian agricultural service is experimenting with the growing of a new kind of rami-fibre (Boehmeria Nivea). About ten acres have been planted to this fibre in Java. The yield is expected to be harvested in about eight months—Djakarta, Nov. 18.

ITALY

Paper—Official statistics show that Italian paper production increased in the first six months of 1953 by 13·4 per cent, compared with the same period in 1952. It is interesting to note that the increase in paper production is greater than that in industrial production generally, which rose by 8 per cent in the same period. Paper and cardboard production during the month of April 1953 was 53,924·9 tons, an increase of 18·7 per cent over April 1952. During the first four months of 1953, paper production totalled 215,178·7 tons, an 11·3 per cent increase over the first four months of 1952 when 193,223·7 tons were produced. If production continues at the same rate it should reach 600 thousand tons at the end of the year, an increase of over 20 per cent compared with 1952—Rome, Nov. 20.

MEXICO

Paper Pulp—The manufacture of paper pulp from sugar cane waste (bagasse) has started at San Cristobal, close to Mexico City, under the direction of the Northern Regional Research Laboratory of Peoria,

Illinois. The plant is producing about 50 tons of pulp a day for cardboard, fine papers, wrapping paper and newsprint, according to a statement from Mexican industrialists who are working in collaboration with the U.S. company—Mexico, D.F., Nov. 18.

NORWAY

Portland Cement—During the first six months of this year, Norway's production of Portland cement totalled 386 thousand tons, as compared with 362 thousand tons during the same period of 1952. In spite of this increase, 28,242 tons had to be imported to meet the demand. Imports for the first six months of 1952 were only 1,287 tons. However, the Nordland Portland Cementfabrikk, at Tysfjord, is planning to increase its annual production to 130 thousand tons, twice the amount it now produces—Oslo, Nov. 19.

PHILIPPINES

Rice—During the 1952-53 crop year, rice production in the Philippines amounted to 3,005,037 metric tons, harvested from six million acres, compared with 2,827,920 tons in 1951-52 and 2,616,390 tons in 1950-51. The prewar record production was 2,328,000 tons.

On June 10, the Price Stabilization Board (PRISCO) began to offer through their own Manila shops, at the lowest prices since 1941, Philippine rice grown by settlers in Mindanao. Retail prices were reduced to 9·65 cents and 10·3 cents per pound. On August 17th, the price of the more popular Burma No. 2 rice was reduced from 11·6 cents to 9·65 cents per pound by the National Rice and Corn Corporation (NARIC). The price cut was made to forestall any attempts by private traders to increase prices during the rainy season, apparently a traditional practice—Manila, Nov. 12.

SOUTH AFRICA

Sugar—A considerable surplus of South African sugar is likely to be available for export in the current season. Present indications are that 720 thousand tons of sugar will be manufactured in the 1953-54 season. Although South Africa has not been able to export during the past two seasons, its quotas under the Commonwealth Sugar Agreement are firmly entrenched in the new International Sugar Agreement. This means that South Africa has an established right to export up to 200 thousand long tons of sugar to the United Kingdom and Canadian preferential markets, and a further 34,000 tons to Southern Rhodesia—Johannesburg, Nov. 17.

SOUTHERN RHODESIA

Cotton—Cotton textile mills established in the centre of Southern Rhodesia's cotton plantations a few years ago are finding ready markets for their products in Southern Africa. Most of the 570 thousand yards of canvas produced in the mills during the past two years has been exported to Northern Rhodesia, South Africa, Mozambique and other parts of Africa. Machines capable of producing the latest weaves and finishes are now being installed in the plants, and when they come into operation next year, Southern Rhodesia's exports of cotton goods of all types should rise still further—Johannesburg, Nov. 17.

Halifax—A Seaport and Its Services

In the three centuries since it was first settled, Halifax has grown into a great commercial port, with equipment, services and skills vital to the foreign trader.

OTTAWA—The success of Halifax as a port rests to a large degree on its strategic location which makes for shorter sailing time to many of the principal ports of the world. Here is a fine natural harbour, protected from the sea yet easy of access by a broad, deep channel. It has wide turning areas, virtually no strong currents and is free of ice the year round.

Highlights in History

These were the attractions which brought British authorities to establish a permanent settlement in Halifax in June 1749. At that time there was need for protection of the sea route from New England to Great Britain and of the valuable fisheries off the coast. These naval considerations have proved vital again in our own day; Halifax has been an important naval base and assembly point for convoys in both World Wars.

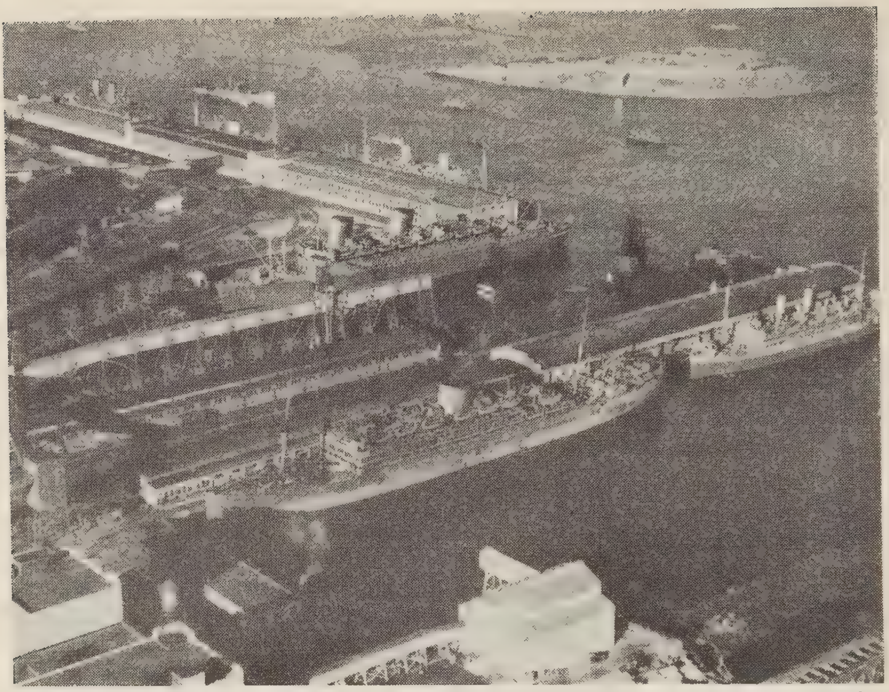
Halifax first attained commercial importance and brought wealth to its pioneer businessmen during the later years of the eighteenth century and the first half of the nineteenth. The port was a focal point of the rich trade between the West Indies, Newfoundland, New England and Nova Scotia. Halifax flourished on the trade in lumber and fish, in molasses, sugar and rum.

It was a native son, Samuel Cunard, who in 1840 first bridged the Atlantic to Halifax with a regular steamship service. He was the first to establish regular sailing schedules between Nova Scotia and the West Indies. Such men of vision saw the natural geographic advantages of Halifax as a Canadian east coast port. These men of enterprise made a place for themselves and their city in the rugged commercialism of international shipping.

NHB Facilities

At the National Harbours Board terminals some 30 berths are available on eight main piers. Transit sheds with an aggregate floor space of 1,100,000 square feet are ample to handle the many products which move through the port. All sheds are served by the harbour railway. In addition, there are forty other docks and wharves under private management. In many instances, they offer services similar to those at National Harbours Board piers.

As tradition would suggest, there are wharves for handling timber and fish. The fish pier has a modern cold storage terminal with 1·6 million cubic feet of storage space, completely fitted with freezing and



This photo shows the Ocean Terminals in Halifax Harbour, with St. George's Island in the distance. Berths big enough to accommodate the "Queen Mary" or the "Queen Elizabeth" are at the piers in the background, left.

storing equipment and served by eight railway tracks. Special accommodation is provided for the storage of eggs. Along pier A runs a covered three-track train shed into which pre-heated cars are switched to load apples, bananas and other perishable fruits during winter. There is also temperature-regulated storage on pier 4, insulated and heated for the accommodation of perishables. Refrigerator cars are serviced expeditiously at the ice-crushing plant.

Normally grain exporting in Halifax has been limited to the winter months but a number of cargoes were handled this past summer. A new addition to the elevator at Ocean Terminals will almost double grain capacity, bringing it to 4½ million bushels. Cargo at the elevator can be loaded at the rate of 75,000 bushels an hour at three berths.

Other Services

Heavy lift equipment is available throughout the port, with cranes of 15, 22, 25, 50 and 75 tons. Industrial undertakings offer open storage, including coal bunkering facilities. Well within the harbour, but removed from other facilities, are oil tank installations with an aggregate storage capacity of 118 million gallons.

Careful planning provides new facilities where needed, enabling traffic to be transferred with a minimum of delay between ships and rail, road or coastal craft. Today Halifax handles a wide range of goods entering Canadian international trade. There is the long established business in fish and lumber; there are foods such as grain and flour, potatoes and fruit, poultry and meat; there are the modern industrial

products like aluminum and asbestos, explosives and fertilizers, machinery and motor vehicles. These illustrate the variety of cargo, bulk or package, warmed or refrigerated, common or dangerous, which the port of Halifax handles with despatch.

Contributing to the position of Halifax as a major Canadian seaport are shops and marine railways competent to execute repairs and maintenance of all types of engines and to carry out hull repairs on vessels up to 25,000 tons.

Growth of a Port

Halifax, since the days when travel inland was by Indian trails and canoes, has seen the present network of road and rail services and air transport provide complete links with industry and commerce to the west and north. Construction of a railway began in 1854 and Confederation brought an important extension of rail services, opening the way for the industrial products and raw materials of Quebec and Ontario to move to export markets. Halifax has grown with the expansion of Canadian international trade.

Comparative Ocean Distance Table

From:	Halifax	New York	Boston
To—*Europe*			
Antwerp	2,795	3,310	3,157
Bordeaux	2.647	3,279	3,016
Cherbourg	2,530	3,098	2.915
Gibraltar	2,673	3,206	3,015
To—*South America*			
Buenos Aires	5,710	5,860	5,810
Rio de Janeiro	4,638	4,790	4,740
To—*Asia*			
Calcutta	9,260	9,823	9,632
Colombo	8,073	8,606	8,412
Hong Kong	11,045	11,584	11,400
Singapore	9,600	10,150	9,959
To—*South Africa*			
Cape Town	6,456	6,805	6,776

The marine knowledge and experience of the port residents are not material things, like an ocean liner berthed at a modern concrete pier, but are reflected in skills of the people and the trading institutions and in the competence of longshoremen. Each factor lends itself to quick turnaround of ships, assuring the shipper that his goods are quickly on their way. Evidence of these intangible services is found in the fact that, during the past three years, eleven steamship lines have added Halifax to their scheduled ports of call. To the shipper this means services to foreign lands not previously served from Halifax and increased sailings to countries long connected by sea.

Through two centuries Halifax has been an Atlantic gateway for a growing country. Where sailing ships once tied up at wooden wharves, now steamships berth at well-equipped piers. In 1952 more than 1,600 vessels of over 5·5 million net registered tonnage landed 2·1 million tons of cargo from abroad and loaded 800 thousand tons of outbound goods. The Port of Halifax reflects the motto of the city, *E Mare Merces*, "Wealth from the Sea".

—H. A. Hadskis
Transportation and Communications Section

Israel Exploits Its Minerals

Recent finds of important minerals, mainly in the Negev, will mean substantial foreign exchange savings for Israel and help to reduce her serious adverse trade balance.

ATHENS—The young State of Israel has been given a much-needed boost by recent discoveries of mineral deposits, including phosphates, copper, manganese, feldspar, mica, silicate sand, ball clay, iron, bitumen-bearing rock, barytes, fluorite, chrome, bauxite and gypsum.

These finds resulted from extensive exploration and research—mainly in the long-neglected desert area of the Negev—carried out by geologists of the Weizmann Institute, the Hebrew University, the Haifa Technion and, latterly, by a special government-created company known as Israel Mining Industries. This company, since its formation in mid-1951, has set up surveying camps in the Great Crater to search for phosphates, ball clay, glass sand and iron; in Wadi Menayah for copper and manganese; in the vicinity of Sdom for bitumen-bearing rock; in the Elath area for mica and feldspar, and in the Gaza region for sulphur. In addition, it is investigating the peat deposits at Lake Huleh in the extreme north.

A brief summary of the quality and estimated quantity of these mineral discoveries and the prospects for exploiting them might be of value to the reader.

- *Mineral Salts*—The Dead Sea, bordered by Israel and Jordan, is estimated to contain 22,000 million metric tons of magnesium chloride, 11,000 million metric tons of sodium chloride, 6,000 million metric tons of calcium chloride, 2,000 million metric tons of potassium chloride, and 1,000 million metric tons of magnesium bromide.

Towards the end of last year, Israel resumed the commercial exploitation and export of Dead Sea minerals after a break of five years because of hostilities; in 1947, potash exports were valued at $7 million. Over $2 million worth of new equipment has now been obtained and will be installed by stages. It should gradually increase the annual output of potash to 180 thousand tons. A new road has been built to transport these minerals to seaport from the south end of the Dead Sea.

- *Phosphates*—One of the largest deposits discovered in the Negev is phosphates. Known quantities are sufficient to cover domestic needs for many years, though the ore is of poor quality and contains only 20 per cent phosphoric oxide. However, it is possible to increase the concentration to 30 per cent. A company in which a large fertilizer concern in Haifa has the controlling interest has been formed to mine the ore. Immediate plans call for a daily output of 100 tons, to be increased in the near future to 250 tons. This would enable the Haifa superphosphates plant to work at full capacity and have some surplus to export.

• *Silicate Sand and Ball Clay*—These minerals have been discovered in quantities sufficient to meet present requirements. Israeli glass-makers, inheritors of an ancient craft, used to import all their raw materials. Now they are drawing on local supplies which are equal in quality to the finest imported sands. There are over a million tons of known deposits in the Great Crater; present annual consumption is 12,000 tons and is expected eventually to reach 40,000 tons.

Proven deposits of ball clay, used to make earthenware, amount to 300 thousand tons. Annual requirements at present are 6,000 tons but will eventually reach 20,000 tons. The installation of modern mechanical equipment to replace obsolete extracting methods is expected to lower production costs substantially.

• *Copper and Manganese*—Initial explorations have revealed the presence of copper deposits estimated at 200 thousand tons. The ore is of fair quality and could be economically exploited, but the concentration is low and experiments are under way to enrich the ore before refining. The Belgo-Continental Company has been appointed as technical adviser and has drawn up blueprints of work to be carried out. A large refinery will be erected near the fields and work on the intial unit is now under way. By the end of the year this unit should be refining ten tons of copper a day.

The quality of the manganese deposits is also low, with an average concentration of 25 per cent. However, laboratory tests have proved that it can be stepped up to 35-40 per cent. Known deposits are two million tons. No plans have been announced for early exploitation.

• *Iron*—Systematic excavation and boring tests place iron ore deposits at between 15 and 20 million tons. However, the majority of this ore is low-grade 30 per cent concentration, which can be increased to 40 per cent. Much more encouraging are discoveries in the Wadi Jirafi area of the Central Negev of deposits with a concentration as high as 60 per cent. Surveys and exploration are going ahead and eventually iron ore may be mined on a commercial scale.

• *Feldspar*—Initial tests have indicated the presence of sufficient quantities of good quality feldspar to satisfy one of the raw material requirements of the local ceramics industry, which uses about 2,000 tons of this mineral a year.

• *Oil*—There is a possibility of oil discoveries and, since the Knesset (parliament) approved the Oil Mining Bill a year ago, seven oil prospecting groups, including two Canadian interests, have been granted licences to start exploratory drilling.

Transportation Problems

The most pressing problem now that these minerals have been discovered is that of transporting the raw material to the manufacturing centres. The Negev was the last part of the country to be developed and it lacks a railway and even adequate roads. The completion early this year of the Beersheba-Kurnob-Sdom road has speeded up the

re-opening of potash works at the Dead Sea and the exploitation of Negev phosphates at Kurnob. A government committee is examining the feasibility of a railway through the Negev to the port of Elath on the Gulf of Aqaba (Red Sea) for bulk transportation of Negev minerals south and north. It is estimated that half a million tons of phosphate rock for the fertilizer plant at Haifa could be hauled each year by rail from the Negev. Efforts are being made to develop the small port at Elath to handle these heavy export cargoes.

The direct saving of foreign currency in 1953 from the development of potash, phosphate ores and salts, superphosphates, glass sand and kaolin is expected to exceed $6 million. In addition, the export of potash, phosphate salts and ores should benefit the Israeli economy by another $10 million a year by 1954 and play a part in improving the present acute adverse balance of trade. Much remains to be done in the development of Israel's natural resources, although the list of discoveries is impressive. It is hoped that further investigations will reveal more wealth beneath the soil.

—H. W. RICHARDSON
Commercial Secretary for Canada

Trade and Tariff Regulations

FRANCE

French Customs Duties Suspended on Certain Machinery and Equipment— By Decree of October 19, 1953, France has provisionally suspended customs duties on a range of industrial, agricultural, mining and construction machinery and equipment of types not normally made in France. A special authorization of the Minister of Industry and Commerce is required for each individual import under this measure which, it should be noted, has no effect on the normal import or currency controls in operation. In each case, a complete unit of machinery or equipment must be imported; spare parts or components do not benefit by this suspension. As well, a bill of sale must be produced for each import; an agent may not build up his stocks without paying the normal duty.

The following types of equipment are included:

—Industrial furnaces
—Hoisting and conveying equipment
—Mining and refining equipment
—Agricultural machinery, including tracked rice combines
—Machinery for the food industries
—Machinery and equipment for chemical plants
—Papermaking and printing machinery
—Textile machinery
—Leather working and cutting machinery
—Machine tools
—Heavy automotive equipment, mainly construction equipment (bulldozers, graders, etc.,) and self-propelled mine cars
—Measuring and quality control apparatus.

It should be emphasized that under each heading only specific types are affected, as set out in the decree. The various associations of manufacturers of these products have been consulted in the preparation of the lists and may intervene if the proposed import material may be conveniently manufactured in France.

The measures are applicable until March 31, 1954.

By the same decree, customs duties which were suspended are re-established on potatoes, certain seeds, chemicals, dyes, rubber products, tantalum, cobalt vanadium, sodium and others.

Certain ceramic construction materials, formerly entering France at reduced rates, are now subject to normal rates of duty.

Certain kraft papers are temporarily reduced from a 25 per cent customs levy to 22 per cent.

IRELAND

Import Controls—By four quota orders issued under the Control of Imports Acts 1934 and 1937, the Government of the Republic of Ireland has announced additional quotas for the period December 1, 1953 to May 31, 1954, as follows:

Certain Electric Filament Lamps (100/250 volts 1/1,500 watts): 50,000 articles, as against a similar quantity for the previous six months.

Certain Woven Cotton Piece Goods: 1,170,000 square yards, as against 1,345,000 square yards for previous six months.

Certain Woven Cotton Piece Goods: 50,000 square yards. Similar to quota for previous six months.

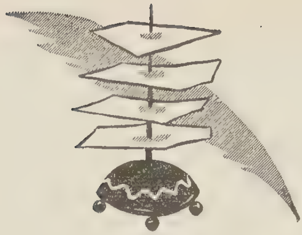
Certain Woven Cotton Piece Goods: 1,910,000 square yards, as against 1,140,000 square yards for previous six months' quota—Dublin, Nov. 5.

YUGOSLAVIA

Import Restrictions Revoked—The Italian press reports that a Yugoslav ordinance of October 14 revokes an earlier order prohibiting the import of a number of goods into Yugoslavia. This prohibition, which came into force on October 1, 1952, concerns various items of interest to Canada including automobiles, agricultural machinery, petrol and carbide lamps, metal office articles and portable stoves—Rome, Nov. 23.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.



General Notes

AUSTRALIA

Uranium Mining—The Australian Government plans to throw open an area of hundreds of square miles in the Northern Territory for private uranium prospecting and mining. The Bureau of Mineral Resources will publish maps of the area showing the results of aerial scintillometer surveys indicating the presence of uranium-bearing ore. The Government is anxious that private interests should take an active part in the search for uranium in Australia, but it will not pay rewards for discoveries of deposits indicated by official aerial surveys—Sydney, Nov. 12.

INDONESIA

Trade Mission Visits Australia—An Indonesian trade mission left for Australia in October. Headed by Mr. Asmaun, Director of Foreign Economic Relations, Ministry of Foreign Affairs, the mission hoped to negotiate a new trade agreement with Australia and explore the possibilities of expanding trade relations between the two countries. From Australia, the mission expected to visit the Philippines, Japan and the People's Republic of China—Djakarta, Nov. 10.

NEW ZEALAND

Favourable Trade Balance—Despite a seasonal falling off in exports which resulted in a deficit of £2·9 million (£3·8 million in 1952) in September, New Zealand continues to accumulate an impressive reserve of overseas funds. For the January-September period, the surplus was £28,684,000 which more than offset the deficit of £28,573,000 recorded at the same time last year—Wellington, Nov. 18.

PORTUGAL

Mutual Aid—By Decree Law No. 39397 of October 22, 1953, the Portuguese Government has been authorized to accept orders from foreign countries for "military, naval or air force material, munitions and military equipment", to be supplied by state or private concerns. Alternatively, the Government may authorize state or private concerns to accept such orders by direct negotiations.

For orders accepted by the Government, advances not exceeding the sums to be accepted in payment for the order may be made to industrial concerns on the authority of the Ministry of Finance (in consultation with the Ministry of National Defence) to enable such orders to be completed. For orders accepted with government authority by state (but not private) concerns, similar advances may be made but only in exceptional cases.

The Secretariat General of National Defence may also authorize concerns to obtain import licences for any raw materials and finished or semi-finished products needed to fulfil such orders, even if importation is normally subject to special restrictions. Imports of such material, if unobtainable in the domestic market and not diverted to other purposes, as well as exports of the finished equipment, will be free of all taxes and duties, except stamp duty and clearance fees. These concessions are without prejudice to Portugal's international obligations—Lisbon, Nov. 19.

NORTHERN RHODESIA

Trade Expands—Northern Rhodesia's exports totalled £43·1 million for the first half of this year. During the same period last year, exports totalled £40·4 million. Imports during the first half of this year totalled £25·2 million, an increase of almost £7 million over the same period last year. Metals and metal manufactures came first in both the export and import figures—£41·3 million in exports and £12·7 million in imports. Only one class of exports decreased compared with last year: minerals, earthenware and glassware dropped from £81,197, to £62,166—Johannesburg, Nov. 17.

UNITED KINGDOM

Revive Lead Mining—Three well-known mining companies are attempting to revive the lead mining industry in two of Scotland's most isolated villages, Leadhills and Wanlockhead in Dumfries. Active mining operations have already begun, and a start was made recently in de-watering the Wanlockhead mine. To complete these operations the pumps will have to go down about 1,850 feet below water level, and pump out about 72 million gallons of standing water. Then the old workings will be cleared so that the reserves which are supposed to exist in the mines can be sampled and proved. If the results are satisfactory, it is hoped to proceed with further developments, possibly milling and production—London, Nov. 25.

UNITED STATES

Trade in the Southern Ports—The Regional Office of the U.S. Department of Commerce in Atlanta reports that exports during the first six months of 1953 from southeastern ports declined by over $120 million, and imports by over $112 million. New Orleans showed the largest decline, from $515·6 million for the first half of 1952 to $409·7 million for the same period of this year. Imports declined from $445·4 million to $331·3 million.

Georgia, Florida and South Carolina customs districts also showed losses in exports. A gain in exports was registered in North Carolina, with an increase from $400 thousand to $4·9 million, and in Mobile from $26·6 million to $122·5 million.

States showing gains in imports were Alabama, from $27·5 million to $44·8 million; Florida, from $72·3 million to $77·9 million, and South Carolina from $29·8 million to $31·5 million—New Orleans, Nov. 30.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02531.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 3*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1300	
		Basic buying	·1951	
		Preferential selling	·1951	(1)
		Basic selling	·1300	
		Free	·0702	
Austria	Schilling		·03751	
Australia	Pound		2·1930	
Belgium Luxembourg & Belgian Dependencies	Franc		·01957	
Bolivia	Boliviano	Official	·00513	
British West Indies	Dollar		·5711	(3)
	Pound		2·7412	(4)
	Dollar	Brit. Honduras	·6853	
Brazil	Cruzeiro	Official selling	·05182	tax 8%
		Effective buying	·03439	(2)
		Coffee buying	·04175	(5)
Burma	Kyat		·2048	
Ceylon	Rupee		·2056	
Chile	Peso	Official	·00887	
Colombia	Peso	Basic	·3901	
Costa Rica	Colon	Official	·1737	(6)
		Controlled free	·1468	*
Cuba	Peso		·9753	tax 2%
Czechoslovakia	Koruna		·1355	
Denmark	Krone		·1412	
Dominican Republic	Peso		·9753	
Ecuador	Sucre	Official	·06502	(7)
		Free	·05592	
Egypt	Pound		2·8007	
Fiji	Pound		2·4696	
Finland	Markka		·00424	
France	Franc		·00279	
French Africa	Franc		·00558	
French Pacific	Franc		·01534	
Germany	D Mark		·2322	
Greece	Drachma		·000033	
Guatemala	Quetzal		·9753	
Haiti	Gourde		·1951	
Honduras	Lempira		·4877	
Hong Kong	Dollar	Free	·1639	*Nov. 27
Iceland	Krona	Official	·05989	
		Special buying	·04611	
		Special selling	·03715	
India	Rupee		·2056	
Indonesia	Rupiah	Basic	·08555	(8)
		Dollar certificate	·00184	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 3	Notes (See below)
Iran	Rial	Official	·03024	*
		Certificate	·01013	*
Iraq	Dinar		2·7309	
Ireland	Pound		2·7412	
Israel	Pound	Basic	2·7309	
		Investment	·9753	(9)
Italy	Lira		·00156	
Japan	Yen		·00271	
Lebanon	Pound	Free	·3008	
Mexico	Peso		·1128	
Netherlands	Guilder		·2567	
Netherlands Antilles	Guilder		·5172	
Nw Zealand	Pound		2·7412	
Nicaragua	Cordoba	Effective buying	·1478	(10)
		Offical selling	·1383	
		With Surcharge I	·1211	
		With Surcharge II	·09704	
Norway	Krone		·1365	
Pakistan	Rupee		·2948	
Panama	Balboa		·9753	
Paraguay	Guarani	Basic	·06502	(1)
		With Surcharge I	·04644	(11)
		With Surcharge II	·03251	
Peru	Sol	Certificate	·05318	
Philippines	Peso		·4877	tax 17% (2)
Portugal	Escudo		·03404	
El Salvador	Colon		·3901	
Singapore & Malaya	Straits dollar		·3198	
South Africa (Union of)	Pound		2·7412	
Spain & Dependencies	Peseta	Basic buying	·04453	
		Basic selling	·08692	
		Basic commercial selling	·05937	(1)
		Free	·02504	
Sweden	Krona		·1885	
Switzerland	Franc		·2270	
Syria	Pound	Free	·2756	*Oct. 15
Thailand	Baht	Official	·07802	(1)
		Free	·05262	*Sept. 30
Turkey	Lira		·3483	
United Kingdom	Pound		2·7412	
United States	Dollar		·9753	
Uruguay	Peso	Official	·6421	
		Basic buying	·5479	
		Special buying	·4150	(1)
		Basic selling	·5133	
		Special selling	·3981	
Venezuela	Bolivar		·2911	(12)
Yugoslavia	Dinar		·00325	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador; Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

WHAT OTHERS SAY ...

Some Uses For DBS Figures

What are some of the ways businessmen can use Dominion Bureau of Statistics figures? The Bureau gets out figures on thousands of items, so each must delve for himself on statistics closely related to his own business. But many statistics of general interest are also of interest and use to businessmen. Here are some examples of how different kinds of figures can be of use:

Prices — Some manufacturers use wholesale price indexes for iron and steel and nonferrous metals in negotiating contracts for "heavy" industry products. Can link escalator clauses in price contracts to various indexes. Consumer price index widely used in labor contracts. Basis of analysis of price trends in many fields.

Wages, salaries, earnings — Freely used in cost accounting by some firms. Can compare earnings, hours of employees against own and other industries and areas. Gauge competitors' costs. Average hourly earnings used in escalator clauses in some business agreements as representative of changes in labor costs.

International trade — Imports, exports of thousands of items, monthly. Quantities and values. Among most important figures for over-all economy too.

Vital Statistics — Use births, marriages, monthly, by regions, cities to fix quotas, frame production programs of children's clothing, toys, carriages, foods, furniture, appliances, etc. Points way to longer term markets, other industries.

Capital Expenditures — Intentions of businessmen and others to spend on machinery and equipment as well as construction is surveyed at beginning of each year. Available for individual industries in considerable detail. Amazingly accurate in over-all picture.

Employment — Important indicator of markets, available monthly by regions. Unemployment figures give labor supply situation across country. New monthly labor force survey reveals part-time as well as full unemployment. Helpful in locating new industries.

Agriculture — Crop forecasts help banks, elevators, others who must help farmers predict needs. Also indicate purchasing power of farm regions in future. Farm cash income quarterly report tells it after the fact. Important market for machinery, hardware, fencing, etc., as well as normal consumer goods.

Manufacturing — Monthly inventories, shipments, orders of many individual industries. Quarterly figures on others. Annual census of industry covers everybody. Enables manufacturers to compare own material, labor, power costs with others in industry.

Construction — Annual survey of what businessmen and others plan to spend in year ahead. Available for individual industries in considerable detail. Annual reports of actual construction afterwards. Also, monthly, how many houses started in each important urban centre. Employment, wages by regions, monthly. Indexes of building costs important to businessmen planning plants.

Institutions — Annual reports on hospitals, welfare institutions, help salesmen of medical and surgical supplies, pharmaceuticals, laundry machinery, uniforms, equipment.

November 7, 1953 THE FINANCIAL POST

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foreign trade

DECEMBER 19, 1953

Australia's Agriculture and Its Exports

foreign trade

L. 14 OTTAWA, DECEMBER 19, 1953 NO. 364

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Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Australia's Agriculture and Its Exports

With wool exports a near-record, the wheat harvest good, and meat sales to overseas buyers well above last year, Australian farmers continue prosperous.

MELBOURNE—Australian agriculture has enjoyed seven favourable seasons in succession and the first five months of the present one promise well. Gross value of rural production in 1952-53 is estimated at £A1,090 million, compared with £A927 million for the previous year and £A1,173 million in 1950-51, the year that wool prices reached a record high. Because rural products account for about 85 per cent of total Australian exports, the economic importance of this excellent record is obvious.

Favourable weather conditions have not been the only factor in this increase in production. More efficient farming techniques, increased acreage of improved pastures, better varieties of grain, and the success of the virus myxomatosis in reducing the rabbit population have all played a part in the greater yields of cereals, meat and wool.

The volume of rural production has increased approximately 19 per cent over prewar but the population has also increased by 25 per cent, which means that a lower percentage of total output is available for export. Primary industries are also the best dollar earners and in 1951 they provided more than 90 per cent of Australia's total dollar income, with wool the leader.

The Wool Season

Wool is the most valuable commodity produced in Australia and accounts for approximately half of the total export income and 60 to 70 per cent of the total rural export income. In the boom wool year of 1950-51, when exports of wool were valued at £A657 million (including wool on skins), Australia had a favourable balance of trade of £A240 million. The next year, when wool exports dropped to £A337 million, there was a deficit trade balance of £A387 million, although this was partly due to the high rate of imports.

The 1952-53 wool season seems to be one of the most favourable in the Commonwealth's history. Total production of wool and the yield per sheep set new records; average prices, total value of production and the value of exports were second only to 1950-51. Exports of wool rose to £A420 million. This was accompanied by a fall of £A539 million in the value of total imports, resulting in a favourable trade balance of £A358 million.

The most notable features in the wool export trade in 1952-53 were the increased volume of exports to Japan—rising from 99·6 million lb. in the 1951-52 season to 164 million lb. in 1952-53—and the fall in exports to the U.S. Major importers of Australian wool in order of importance in 1952-53 were: the United Kingdom, 36 per cent by value; Japan, 16 per cent; France, 14 per cent; Italy, 10 per cent, and the U.S., 8 per cent.

Wool is the most important Australian export to Canada; in 1951-52 Canada bought 6·4 million lb. worth £A2·8 million and in 1952-53 7·9 million lb. worth £A3·4 million.

The present year promises to be a good one, with the wool cheque for the first four months £A16 million more than in the same period a year ago, and average prices from 5 to 10 per cent higher.

Production of wool in 1952-53 at 1,280 million lb. (greasy equivalent) was an all-time record, topping the previous record of 1,169 million lb. in 1943-44 by 10 per cent. The cut of 9·2 lb. per head was also a record. This latter increase is credited to the significant reduction in the rabbit population as a result of the spread of the virus myxomatosis, which allowed the sheep to reap the maximum benefit of the good season.

Wheat Ranks Next to Wool

Traditionally, wheat has been Australia's second largest industry. Just before the war, wheat contributed 19 per cent of total export earnings of Australian rural industries and 14 per cent of total income. The postwar years have witnessed a decline in the relative values of both production and exports. In 1952-53 earnings from wheat constituted 13·1 per cent of all rural export earnings and 10·6 per cent of all export income.

One of the main reasons for this has been the highly favourable market for wool in recent years, which has meant less stress on wheat growing. In 1947-48 about 13·88 million acres were in wheat; in 1952-53, only 10·1 million acres, the lowest in any peacetime year with the exception of 1923-24. The average area sown to wheat in the five-year prewar period was 12·98 million acres. Increased yields of wheat per acre, however, have partly made up for the loss in acreage.

The 193 million bushels produced in 1952-53 was 27·7 million bushels (12 per cent) less than the record 1947-48 harvest, but 38·7 million bushels (25 per cent) greater than the average production for the five years ended 1938-39. The estimated average yield of 19·1 bushels per acre in 1952-53 is an all-time record for Australia, exceeding the average for the five-year period ended 1938-39 by 7·2 bushels per acre. The previous record was 17·8 bushels per acre in 1949-50. This year it is estimated that 160 to 165 million bushels will be harvested from about the same acreage as last season.

Marketing Arrangements

The five-year wheat marketing and stabilization plan ended with the marketing of last season's crop and it became necessary to implement new legislation before October 20th, in order to have a central authority to represent Australia at the meeting of the International Wheat Council.

After protracted negotiations with the various states about the price to be charged for wheat for home consumption, agreement was finally reached and the Wheat Marketing Act was passed, thus assuring orderly marketing of the current crop. The question of a stabilization plan to cover the next three wheat crops is still in abeyance and is to be decided by a ballot of wheat-growers to be taken early in the New Year.

The Wheat Marketing Act provides for a uniform price for wheat for home consumption and the direction of all wheat to the Australian Wheat Board for receiving and marketing on a common basis.

78638—2

The price formula finally decided upon was that wheat sold for home consumption will be at the IWA price or 14/– per bushel, whichever is the lower. However, if that price is less than the cost of production, the price will then be an amount equal to the cost of production. Wheat exported from Western Australia will receive 3d. per bushel extra and a special arrangement was approved to enable wheat produced on the mainland to be sold in Tasmania at the common Australian price.

Australia has always been a low-cost wheat producer. Although costs have increased sharply during the postwar period, its producers are still favourably placed relative to North American growers. With present export prices providing a substantial profit margin, it is to be expected that North American production will have to be cut long before it will be necessary to reduce production in Australia.

Meat and Livestock

Australian production and exports of meat showed remarkable increases in 1952-53. In 1952-53 the Commonwealth produced 16 per cent more beef and veal at 675 thousand tons (a record); 40 per cent more mutton at 246 thousand tons, and 37 per cent more lamb at 147 thousand tons. Pigmeat production was 400 tons lower than in 1951-52. Total meat production for the first eight months of 1953 increased by 124 thousand tons compared with the corresponding period of 1952. This increase is essential each year because meeting the needs of a rising population and at the same time maintaining exports makes heavy demands on the meat-raising industry.

During the year ended June 1953, frozen meat exports totalled 189 thousand tons, nearly three times the low level of exports during the previous year and—except for 1949-50 when exports totalled 194 thousand tons—the highest since 1940-41.

Exports of frozen meat in 1952-53 represented about 15 per cent of production, compared with between 20 and 25 per cent during the immediate prewar years. However, if provision is made for canned meat exports which were at an all-time high during the year and probably represented the equivalent of 140 thousand tons of carcass meat, production exported is about 28 per cent, which compares more than favourably with the prewar figures.

Canned Meat

Canned meat production in 1952-53 was at an all-time high of approximately 94,000 tons. About 92,600 tons of this—95 per cent of total production—was exported, an increase of 45,600 tons over the previous year. Some 93 per cent of these shipments go to the United Kingdom.

The increased production and exports were the direct result of a tremendous upsurge of demand for canned meats by the U.K. in the latter half of 1952, mainly as a result of restrictions on imports from other sources. Early in 1953, the U.K. market became saturated and there were a number of complaints about the quality of Australian canned meats. Although investigation showed that some canned meats were not of uniformly high quality, there seems no doubt that many of the complaints were due to the market being over-supplied.

Exports to markets other than the U.K. in 1952-53 declined from 11,500 to 6,400 tons.

Meat Contracts with U.K.

Australia has a 15-year meat contract with the U.K. covering beef, veal, mutton and lamb. Although the contract provided initially for government-to-government selling, it embodies provisions for reversion to trader-to-trader business. The contract provides that, even on reversion to private trading, if the trade does not take all the Australian surplus, the U.K. Government must take the full amount.

If prices are higher under private trading than under the government-to-government provisions of the contract, then the producers get the benefit. If prices are lower, the British Government engages to make good the difference.

Under the terms of the contract, it has been agreed that for 1953-54, 8,500 tons of meat can be shipped to dollar and other open market destinations, compared with 5,000 tons in 1952-53. The Minister for Commerce and Agriculture has stated, however, that the arrangements will be such as to prevent over-supplying profitable markets like Canada.

For Canada and the United States, lamb allocations will be made subject to sales being completed within specified periods. Exporters will also have to comply with determined standards of wrapping and branding when shipping to these markets.

Experience gained from shipments made to dollar markets over the past two years has convinced Australian exporters that there is a limited but useful market in Canada and the U.S. for Australian meat, provided shipments are timed to market requirements.

Pigmeat was the subject of separate negotiations and the U.K. agreed to take certain classes at prices to be arranged annually, with no restrictions on sales to other markets. When the U.K. reverts to private trading, the agreement can be automatically terminated.

With the end of U.K. bulk purchasing arrangements in sight, Australia realizes that more attention will have to be paid to quality. Prices for meat for 1953-54 have thus been designed to encourage the export of better quality and lighter weights of carcasses.

—R. W. Blake
Agricultural Secretary for Canada

The second part of Mr. Blake's study of Australian agriculture will appear in our December 26th issue—Editor.

Tour of Territory

A. B. Brodie, *Canadian Government Trade Commissioner in Leopoldville, Belgian Congo, will visit Elisabethville, Jadotville, Kolwezi, Kamina and Luluabourg in Katanga Province during the first week in January. Businessmen interested in these towns should get in touch with Mr. Brodie at Leopoldville as soon as possible.*

Cranberries—a Christmas Crop

The cranberry sauce that graces your Christmas dinner table may well be made from berries grown in New England—the major producer in a $20 million U.S. industry.

BOSTON—Cranberries and wild turkey were part of the first Thanksgiving feast of the Pilgrim Fathers at Plymouth in 1621. Since then the red fruit has always accompanied roast turkey on North American dinner tables. Originally called "crane-berries" because of their resemblance to the neck, head and bill of a crane, they are one of the three native American fruits which were growing wild in this country when the first settlers arrived. Not until 1812, however, was commercial cultivation begun by Henry Hall of Dennis, Massachusetts.

Today cranberries are a $20 million American industry, with two-thirds of the U.S. supply coming from the Cape Cod area of Massachusetts. This year Massachusetts has gone cranberry-crazy, with an all-time record crop of 690 thousand barrels out of a total U.S. crop of 1,075,000 barrels. The Massachusetts crop reached 445 thousand barrels in 1952 and 560 thousand in 1951. Smaller quantities of cranberries are grown in Maine and Rhode Island, on Long Island, and in New Jersey, Wisconsin, Michigan, Oregon and Washington.

Grown on Marshy Land

The cultivation of cranberries is a specialized form of agriculture calling for considerable capital investment and particular skills. The fruit is usually grown in marshy areas near an abundant source of water. This nearby water means that the "bogs", as they are known in the industry, can be quickly flooded to prevent frost damage to the tender berries and plants. The soil for cranberry-growing must be of an acid type; they will not flourish in non-acid soil. High soil fertility also results in heavy vine growth and a smaller production of fruit. For this reason, growers keep on hand a supply of coarse sand, which is spread in a layer three to four inches thick over the surface of the bog to lower soil fertility and reduce weed growth. To avoid damage to the plants through lack of oxygen while the land is flooded, it must be possible to drain the bogs quickly either by gravity or machinery.

Harvesting Techniques

Harvesting begins early in September and continues until late October. The pickers comb the fruit from the vines with wooden hand scoops which they operate from a kneeling position. Harvesting machinery has been developed but because of the large number of individually-owned and irregularly-shaped bogs, it is not used in the east as extensively as in other areas. However, faced with rising costs and a shortage of labour, New England growers may eventually be forced to reorganize

The introduction of wooden hand scoops like this one has speeded up the harvesting of the cranberry crop. The large teeth comb out the fruit from the vines at the rate of about one and a half barrels an hour.

their bogs to make use of up-to-date mechanical harvesting techniques. The advantages of mechanization are obvious: a machine working at a constant rate of speed can harvest between 3·6 and 18 barrels an hour depending on yield, compared with a picker's average production of 1·5 barrels an hour.

When the dry harvest has been completed, as much as ten per cent of the crop may be left among the vines or on the ground. Many growers avoid this loss by flooding their bogs and collecting the "floats" from the surface of the water with the aid of shallow-draft boats. Because they become mouldy rapidly, these berries are immediately shipped to processors for canning or freezing.

To test the quality of the fruit a unique system of "bouncing boards" is used. The best berries bounce and these are carefully graded and packed in consumer packages for shipment to market. The remainder go to the processors.

Cranberry Co-operatives

The largest shipper of fresh cranberries in the United States is Eatmor Cranberries Inc., a growers' co-operative which handles over half of the fresh cranberry crop and markets between 20 and 25 million consumer packages a year under its own brand. The National Cranberry Association, a centralized co-operative processor, operates plants in all producing areas and accounts for over 90 per cent of all processed cranberry products. Both these organizations have organized extremely effective consumer advertising and merchandising campaigns for some years.

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To achieve orderly marketing of both fresh and processed berries, representatives of the two co-operatives organized the Cranberry Growers' Council. The grower-members delegated to the Council the responsibility for determining what proportion of the crop shall be sold fresh and what proportion processed. The experiment has been singularly successful; it has eliminated the heavy carryovers of the past and has restored order and confidence to cranberry marketing.

Canada a Good Customer

Canada ranks high as a customer of the New England cranberry industry; in 1952, 3,137,902 pounds of fresh cranberries, valued at $600 thousand, went to Canada from the U.S. Eatmor Cranberries sold 21,530 barrels of the fresh berries to Canadian customers last year, with shipments going to every province from New Brunswick to British Columbia. These exports help to supplement Canada's own production, which in 1952 totalled 826 thousand pounds of berries, valued at $142 thousand. In some years the Canadian crop—which comes from the three Maritime Provinces, Quebec, and British Columbia—totals over a million pounds.

When Canadians sit down to Christmas dinner next week, chances are that New England cranberries will appear on the table to give colour and flavour to the traditional turkey.

—D. H. Cheney
Vice-Consul of Canada and Trade Commissioner

Canning Fish in Portugal

LISBON—Portuguese fish canning factories went into production on May 1st, after the closed season of three months stipulated by law. However, production of skinless sardines (chiefly exported to the United States) did not begin until June 15th and ended on November 15th. Catches are reported below normal in southern Portugal and in northern Portugal, where production is usually heavy. Overseas demand is reported dull and, consequently, prices have dropped and buyers tend to speculate.

With falling prices and sizable stocks on hand, packers are said to be seeking official action to stabilize and regulate production and sales. The Commercial Treaty with the United Kingdom involved purchases of some 500 thousand cases, and it was expected that at least 250 thousand cases would be shipped during the first half of this year. However, official figures show that only 20 thousand kilos (that is, 1,065 cases) were shipped to the U.K. from January to May.

Total exports during the first five months of this year were about 13 million kilos, compared with 12·5 million kilos during the same period of 1952 and 15·8 million kilos in 1951. The respective values were 208,740 contos in 1953, 230,795 contos in 1952, and 291,117 contos in 1951. (One conto equals approximately Can.$30.)

Mining in New Zealand

WELLINGTON—Up to the present, only a limited number of minerals have been discovered in New Zealand in anything like commercial quantities. Yet the mining industry is important not only because of the intrinsic value of the materials mined, but also because it eliminates, to a large extent, the need to import such bulk products as coal and limestone for agricultural purposes. In 1952, the value of all minerals produced was £10,648,845, a slight gain over the previous year's £9,210,247.

Coal and Oil

Coal represented more than three-fifths of the total value—2·75 million tons valued at £6·87 million. This was a considerable gain over 1951, when the industry suffered the most serious labour difficulties in its history. Last year's output equalled that of the early war years. Supply and demand are now practically balanced, with a slight tendency towards the more or less traditional surplus for export.

Since 1942 the use of open-cast coal mining has been growing, and in 1952 thirty per cent of the coal was mined in this way. Producers are trying to keep this open-cast production at a minimum of 30 per cent of the total to give them a chance, with lower production costs, to sell coal at the prices which were fixed in 1950 when coal subsidies were abolished.

Few petroleum reserves have been discovered in this country. New Zealand Oil Refineries Limited have three wells in a small field at Moturoa near New Plymouth, which produced 303 thousand gallons of crude oil in 1952. The company intends to drill an additional three holes some time in the future. In the meantime, the gas from the producing wells has been piped to New Plymouth where it is being blended with producer gas for local consumption.

Other Minerals

Gold is the most important metal mined in New Zealand, but production has fallen off from the prewar average of about 163 thousand fine ounces to a little over 59,000 fine ounces in 1952. The last of the Dominion's quartz mines closed down during the year and almost the entire output now comes from dredgers, although a small amount is being produced from alluvial deposits. Other metals mined in small amounts are silver, copper, iron, manganese and tungsten.

In 1952, 1·8 million tons of limestone valued at £888 thousand were quarried in New Zealand. A large part of this was used for agricultural purposes, but small amounts of industrial limestone and burning stone were recovered. Production of sand, gravel, etc., for highways and ballast totalled 3·3 million tons with a value of £832 thousand. Small quantities of asbestos, bentonite, diatomite, serpentine and silica were also produced.

—Lester S. Glass
Commercial Secretary for Canada

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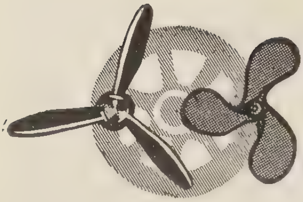

Transportation Notes

Switzerland's Merchant Marine

BERNE—Switzerland's dependence on foreign sources of supply for foodstuffs and for the raw materials for its industries has led to the creation of a Swiss merchant fleet. Without the fleet this country would, to a certain degree, suffer starvation and its industries would be severely crippled, in wartime, as they were in the World Wars of 1914 and 1939.

Established During War

During the last war, a federal decree was issued providing for the constitution of a merchant fleet under the Swiss flag and a maritime law first came into force on April 9, 1941. The way had been prepared by the declaration made in Barcelona in 1921 which recognized that countries such as Switzerland, possessing no ports on the sea coast, should be permitted to operate ocean ships of their own. In its decree, the Confederation assured the principal countries at war that ships under the Swiss flag would be neutral and would carry merchandise solely from and for Switzerland.

From 1941 to 1946, ships flying the Swiss flag were entirely controlled by the transportation services of the Swiss War Office. Four ships of a total deadweight tonnage of 27,000 tons were owned by the State and seven ships, totalling 34,000 tons, were privately owned. This provided a fleet of eleven vessels, about one-half the quota of ship warrants allotted to Switzerland.

Private Enterprise Takes Over

At the end of the last war, the Swiss people agreed that this fleet should be maintained and the Confederation sold its ships to private shipping companies, which have gradually developed the Swiss merchant fleet. In June 1950, at the outbreak of the war in Korea, the fleet totalled 90,000 tons deadweight. The Swiss were requested by their government to carry emergency stocks of foods and other supplies in their homes and other obligatory stocks were to be built up. It therefore became necessary to provide for increased transport on the high seas. Swiss ship-owners took it upon themselves to enlarge the merchant fleet and the Confederation granted mortgages up to 75 per cent of the value of ships to be built or purchased.

The Swiss fleet comprises 33 ships totalling about 191 thousand tons deadweight, of which 20 have been built since 1948. The ships are modern and fast; 19 are ocean-going vessels of from 6,290 to 10,825 tons deadweight, and fourteen of these are motor ships. There are three tankers,

one of them carrying wine exclusively. The fleet is operated by 18 different firms; the crews number about 1,000 men, of which one-quarter are Swiss and about one-half Italians. Efforts are being made to increase the number of Swiss officers and mechanics; those who qualify are granted diplomas by the Office of Maritime Navigation at Basle.

Operation Methods

A few Swiss ships are operated on regular routes, usually in co-operation with foreign steamship lines—for instance, between ports in northern Europe and the Caribbean, and between Genoa and West Africa. Other ships are used as tramps, carrying full cargoes to any part of the world with the risk of travelling considerable distances with empty holds on the return trip. Swiss vessels may also be operated on time-charter on hire to other shipping companies. Some ships carry two to 12 passengers.

In spite of Switzerland's heavy imports of coal, grains and other commodities, less than 5 per cent of the cargoes carried under the Swiss flag last year were for consumption in Switzerland. Local importers and exporters are free to use whatever shipping lines they wish.

The merchant fleet contributes to Switzerland's balance of payments through insurance premiums, wages paid to the Swiss crews, and gross yield from freight rates after deduction of costs of operation abroad. Moreover, the ships may be supplied with motors and other Swiss-made equipment. But the fleet's greatest contribution lies in the services it can give under the Swiss flag in time of war.

—Yves Lamontagne
Commercial Counsellor for Canada

Israel Develops New Harbour

The first stage of development on the Kishon Harbour project, which is an auxiliary port being built to relieve congestion at the nearby port of Haifa, has now been completed and foreign firms have been invited to lease space in the free zone, in the cargo-handling area and eventually in the industrial area. Any structure erected in any of the three areas will pass to the Government on termination of the lease but compensation will be paid for property in the free zone.

The free zone covers 58,000 square metres, including one berth on the already completed quay and space along the channel for two additional berths. Leases will be granted for 25 years with option for renewal. This property is subject to revaluation every five years.

The cargo-handling area covers 50,000 square metres and includes two berths along the quay and one transit shed of 2,500 square metres. Leases will be for 25 years with option of renewal, and this property is subject to revaluation every ten years.

The industrial area, covering 80,000 square metres, is completely undeveloped, having no quays or sheds. Leases will be for 49 years with the option of renewal. Revaluation will be made every ten years.

Atlanta . . . Key to the Southeast

Expanding industry has brought higher incomes to the Southeastern States and increased the sales potential. Canadian shippers interested in this area should consider Atlanta as a distribution centre.

NEW ORLEANS—As a point of entry into the southeastern United States, Atlanta is important to Canadian shippers interested in the Southern market. Canada's trade by rail and road moves from north to south, and Atlanta—862 miles from New York, 731 miles from Detroit and 715 miles from Chicago—is in the direct line of any major cargo movements from Canada to the Southeast.

Situated in the southern foothills of the Blue Ridge Mountains, 1,050 feet above sea level, Atlanta is a natural distribution centre for the Piedmont Plateau and coastal plains to the east and south and the lowlands of the Mississippi to the west. Overnight L.C.L. deliveries can be made from Atlanta by rail and highway to most of the important centres in North Carolina, South Carolina, Georgia, Tennessee, northern Florida, Alabama and eastern Mississippi. Some 4,000 national firms with branch offices or divisions in Atlanta recognize this fact and serve these states from their Atlanta office.

Economic Growth

The significance of Atlanta as a distribution centre can be best measured by the economic changes which have been taking place in the Southeastern States. Sixty-two per cent of the area's 20·9 million population live on farms, some on very small holdings—as in Tennessee, where the average unit in 1950 was 80 acres. Some are tenants and share croppers—in Alabama, for example, where in 1950 tenant farmers operated 41·4 per cent of all the farms, and where non-white operators had 57,294 farms (27 per cent of the total) a factor which varies from state to state. It is an area, however, where something more than "corn 'n 'taters grow", and it can no longer be said that this is the kingdom of "cotton, peanuts, tobacco and poverty".

It is true that cotton, peanuts and tobacco are still important cash crops. It is also true that the average income, especially the agricultural income, is lower than for the United States as a whole. But important changes have taken place during the last twenty years, conditions have improved, a greater variety of crops have appeared, and the trend to mixed farming has strengthened. The unemployment usually associated with mechanization has been offset by the growth of industry and this industrialization is reflected in the population figures. Urban population increased 51·8 per cent between 1940 and 1950 (5·8 million to 8·9 million), and rural population dropped 4·3 per cent during the same period.

Industrialization in the Southeast, with North Carolina taking the lead, is the main factor in the increase in the area's income, a larger increase than for the U.S. as a whole. Established industries manufacturing tobacco, textiles, lumber, furniture, iron and steel have expanded and new industries are starting up in new communities. Between 1939 and 1947, the number of manufacturing companies increased from 14,000 to 23,000, a gain of 58·6 per cent. Wages and salaries from manufacturing between 1939 and 1950 showed a 312 per cent gain—from $847 million to $3·4 billion. Value added by manufactures over the same period increased from $1·7 billion to $6·8 billion, or 293·3 per cent.

The Market Potential

It follows, therefore, that the market potential of the Southeastern States has become greater too. Retail sales between 1939 and 1948 increased from $3·5 billion to $12·5 billion, 256·5 per cent. Wholesale trade sales rose by 294·4 per cent to total $15·6 billion in 1948. In all these indices for wages, value added by manufactures, retail and wholesale sales, the rate of increase in the Southeast during this period exceeded the rate for the United States as a whole.

Canadian Opportunities

Canadian firms have been shipping into this area agricultural implements, apples, asbestos, firebrick, Christmas trees, grain products, lumber and wood products, paper manufactures, machinery and vegetables. Provided that there is no serious recession, it should be possible to expand these sales and to find outlets for comparable products. In most cases, the markets will have to be explored, and the best way to do this is by personal investigation. Atlanta is one of the best points for initial inquiries in the Southeastern area.

Facilities for distribution from Atlanta include 15 main railroad lines, 12 major air routes and a network of highways radiating from the city. One of the leading banks in Atlanta (the name of which can be obtained, with other information, from the Consul of Canada and Trade Commissioner, 215 International Trade Mart, New Orleans) maintains a foreign trade department. The Atlanta Chamber of Commerce puts out a useful world trade directory listing importers and exporters in Atlanta and the State of Georgia.

—GERALD A. NEWMAN
Consul of Canada and Trade Commissioner

Twelve of Canada's 16 leading minerals achieved higher production records in the first three quarters of 1953 than in the first nine months of 1952, DBS reports. The four which failed to reach their 1952 totals were asbestos, gold, coal, and salt. Petroleum output rose from 43·6 million barrels in the first nine months of '52 to 57·9 million in the first nine months of '53.

Commodity Notes

AUSTRALIA

Polystyrene—Monsanto Chemicals (Australia) Ltd. has begun production of polystyrene, one of the most modern plastic moulding materials, in a newly completed plant at West Footscray, Melbourne. Clear crystal polystyrene is being made now, coloured and special grades will be added early in the New Year. The designed capacity of the plant is 3,000 tons a year, valued at about £1 million and production is expected to meet present Australian requirements fully. Up to now, the Australian plastics industry has depended on overseas supplies of polystyrene—Melbourne, Nov. 25.

BRAZIL

Seamless Tube—Mineracao Geral do Brasil has installed in the city of Vale do Paraiba, near São Paulo, the first seamless tube factory in South America. This modern plant has a capacity of 50 thousand tons of seamless tube a year for use in boilers, petroleum refineries, etc. This development is expected to save Brazil an estimated $25 million a year—São Paulo, Nov. 25.

FINLAND

Paper—Finnish paper production in the first half of 1953, compared with the same period in 1952, is as follows: newsprint, 216 thousand tons against 211 thousand tons; other paper, 127 thousand tons against 126 thousand tons, and cardboard, 86,000 tons against 75,000. Exports were: newsprint, 198 thousand tons against 193 thousand tons; kraft paper, 600 thousand tons against 28,000 tons; other paper, 59,000 tons against 52,000 tons, and paperboard and carton, 37,000 tons against 35,000 tons. Exports during the first six months totalled 354 thousand tons, compared with 308 thousand tons in the same period last year—Stockholm, Dec. 3.

NETHERLANDS

Bulbs—Minimum export prices for Netherlands flower bulbs produced in 1954 will remain the same as for this year's crop. For the largest sizes this means minimum prices of $95 per 1,000 bulbs for hyacinths, $35 per 1,000 bulbs for tulips, and $50 per 1,000 bulbs for narcissi. These prices have been established by the Ornamental Products Marketing Board and have been calculated on a local warehouse basis, exclusive of additional costs such as packing, freight, insurance, etc.

Bona fide wholesalers and retailers in Canada recognized by the Netherlands Bulb Exporters Trade Association may be granted a discount on the established minimum prices not exceeding 15 per cent of the invoiced value of the bulbs delivered.

In addition, buyers not belonging to this wholesalers-retailers group but recognized by the Netherlands Bulb Exporters Trade Group may be granted a discount on the fixed minimum prices to a maximum of 10 per cent on purchases valued at $10,000 or more. The discount granted and the sizes of the bulbs must be mentioned on invoices—The Hague, Dec. 4.

SPAIN

Motorcycles—The Madrid motorcycle factory, manufacturing the "Vespa" scooter under an Italian licence, has now reached a daily production of 30 machines. It is reported that, by January 1954, the monthly output will reach 1,000 scooters. About 85 per cent of the parts are made in Spain and the remainder imported from Italy. However, in the near future 100 per cent of the components will be manufactured in Spain—Madrid, Nov. 30.

SWEDEN

Fish—During the first three quarters of 1953, Swedish exports of fish and canned fish amounted to 33,644 tons, compared with 40,775 tons for the same period last year. The value was 26,016,000 kronor compared with 30,446,000 last year, a decrease of 4,430,000 kronor. Germany is one of Sweden's chief customers; exports to East Germany were valued at 9,939,000 kronor, and to West Germany at 3,303,000 kronor—Stockholm, Dec. 2.

UNITED STATES

Shrimp—Shrimp production in Louisiana was very low this fall season, reports the Gulf of Mexico Fishery Marketing Specialist. Especially hard hit were the small boat operators who fish the inside waters. The shrimp were not there and daily catches of less than one barrel were the rule with the "day" boats. Prices for canning shrimp are very good, about $5 to $10 more per barrel than a year ago—New Orleans, Dec. 7.

Oysters—The trade's demand for raw oysters at this time of year cannot be met by local oyster producers and fair quantities of Eastern oysters are being shipped into Louisiana and Mississippi. Most dealers are pessimistic about the coming season because there seems to be a lack of seed oysters as well as labour for planting—New Orleans, Dec. 7.

WEST GERMANY

Newsprint—German newsprint production is expected to reach 200 thousand tons this year, compared with 173 thousand tons in 1952 and 470 thousand tons during 1935-38. With total consumption placed at 280-285 thousand tons, the remainder will be compensated for by imports at the rate of 7,000 to 8,500 tons a month—Bonn, Dec. 5.

Chile

Expanding the Pulp and Paper Industry

Chile plans to spend $300 million during the next twelve years to become a major producer of pulp and paper—and this may eventually mean smaller purchases from Canada.

SANTIAGO—Canada will face the loss of another market for her newsprint and chemical pulp if present plans for the expansion of Chile's pulp and paper industry are carried out. According to recent surveys, forest resources in the southern half of the country are sufficient to supply a market ten times larger than the present domestic one. Active steps are now being taken towards a fuller utilization of these reserves.

New Mills Scheduled

At present Chile consumes 24,000 tons of newsprint a year, of which 46 per cent is produced locally. Annual consumption of other types of paper and paperboard amounts to 46,000 tons, two-thirds of which is manufactured within the country. Production of mechanical pulp is sufficient to meet present demand but less than 20 per cent of the required 26,000 tons of chemical pulp comes from Chilean plants.

Recommended development of the industry calls for installations having a paper-producing capacity of 20,000 tons a year by 1955, with a further increase to 50,000 tons by 1960 and 90,000 tons by 1965. This expansion would mean setting up plants with a total annual capacity of 67,000 tons of chemical pulp and 38,000 tons of mechanical pulp.

The following table shows the average development requirements of the Chilean pulp and paper industry.

Average Development Requirements for Paper by the Paper, Mechanical Pulp, and Chemical Pulp Industries

(thousands of metric tons per year)

	Present demand*	Installed capacity*	Increases at present necessary	Increases necessary in the future: Total up to 1955	Total up to 1960	Total up to 1965
Newsprint						
Domestic	11					
Imported	13					
Total Newsprint	24	12	12	20	31	45
Other papers and paperboard:						
Domestic papers	33	38				
Domestic paperboard	11	18				
Imported papers	2					
Total of other papers and paperboard	46	56	..	..	19	47

	Present demand*	Installed capacity*	Increases at present necessary	Increases necessary in the future: Total up to 1955	Total up to 1960	Total up to 1965
Total of paper and paperboard	70	68	12†	20	50	92
Chemical pulp:						
Consumption of domestic pulp	5					
Consumption of imported pulp as raw material ..	21					
For substitution of raw material contained in imported paper	3					
Total chemical pulp for paper	29	6	23	33	48	67
Mechanical pulp:						
Consumption of domestic pulp	16					
For substitution of raw material contained in imported paper	12					
Total mechanical pulp	28	23	5	11	24	38

Source: Economic Commission for Latin America and United Nations Food and Agriculture Organization.

* Data for 1951.

† Corresponds only to newsprint. The surplus capacity to produce "other papers and paperboard" is due to one of the paper mills not having operated normally in 1951, while the paperboard mills, for the same year, operated at only 60 per cent of their theoretical maximum output.

The industry will depend primarily on the insignes pine (Pinos Radiata). The present plantation of 250 thousand hectares (one hectare= 2·471 acres) could easily meet the raw material requirements of the new plants in prospect and Chile's natural forests constitute an additional source of supply. Their utilization and the possible integration of the pulp and paper industry with other wood-using industries are being studied. One survey indicates that by 1955 the industry could produce 750 thousand tons of mechanical pulp or 1·2 million tons of newsprint a year. This latter figure is equivalent to the total estimated newsprint consumption of the whole of Latin America.

The expansion outlined above would require the investment of about $300 million, the major part in foreign currency. It also implies a substantial increase in the local generation of electric power.

The Development Corporation, a Chilean government agency, has already successfully negotiated with the International Bank a loan of $20 million to be used by the local newsprint company to set up an additional newsprint factory and a kraft pulp plant. This development should eventually provide 50,000 tons of newsprint and 40,000 tons of pulp a year. In addition, the Development Corporation has announced that in 1954 it will inaugurate a project for seven pulp mills.

Imports from Canada May Drop

At present, Canadian exporters sell to Chile about $1½ million worth of newsprint and chemical pulp a year. If Chile carries through the developments now being studied, Canada may face the gradual loss of this newsprint market and possible competition from Chile in other Latin American countries. On the other hand, the building-up of a pulp and paper industry in Chile should mean opportunities for Canadian manufacturers of papermaking machinery and equipment and for skilled Canadian technicians and managers.

—M. R. M. Dale
Commercial Secretary for Canada

United States

Merchandise Takes to the Air

Saving time is only one of the reasons why, since 1946, an increasing range of U.S. products —from automotive parts to pure-bred stock— are moving to market by air.

WASHINGTON—The air traveller today, arriving at or departing from busy airports, has little time to see beyond the hurrying crowds and busy baggage handlers. His paramount impression of tickets, insurance, baggage and passengers probably obscures his sense of an important and growing feature of air transportation—air cargo. He seldom sees the backstage activity in the freight rooms below the airport buildings' main level, or in the side hangars where numbers of stubby tractor trains hustle freight between aircraft, ready-rooms and pick-up and delivery trucks.

As he moves through the passengers' waiting rooms the traveller seldom thinks that, among a variety of other items displayed, the furs in the showcase, new books and periodicals, gifts and novelties at the newsstands, some of the food in the restaurant, the public address system announcing arrivals and departures, and perhaps even the adherence to schedule of his airliner may sometimes depend on air cargo.

Unfastening his seat belt, once airborne, he turns the cover of a news magazine that travelled from lithographer to bindery by air, while ahead in the freight compartment is a print of the movie he will see at his destination.

Growth of Air Cargo

Though the despatch by air of a crock of baked beans from Boston to Providence, R.I., in 1912 might perhaps be better classified as the first air parcel post in the U.S., and the 10 million pounds of freight the Ford Motor Company privately flew between Detroit, Buffalo, Cleveland and Chicago in the five years up to 1930 was an early milestone, commercial air cargo in the United States may be said to have become important only in 1946, following World War II.

With the development of better pick-up and delivery service to and from air fields, the distinction between air express and air freight has diminished to a degree. Air freight forwarders generally provide several classes of service, ranging from "regular air freight" with "next day" delivery, to super-expedited services surpassing air express' "next a.m." delivery. The generic term air freight covers—for statistical purposes in this account—all classes of service, including air express.

In the past five years and especially since Korea, air freight has helped to maintain the needed production flow, notably in the auto and

—Standard Oil Co. (N.J.)

This small French poodle gazes at the world from the crate in which he is being flown to his new owners. Today not only puppies but a great variety of products move to their destination by air freight.

aircraft industries, and to make possible tight production schedules. Similarly, in distribution, active markets and shortages have pressured sales and service managers into using the fastest transport at hand.

The advocates of air freight like to argue that, notwithstanding its higher cost per ton-mile, it makes savings possible by reducing materials stockpiles and parts inventories. Whether such savings in stockpile costs and warehousing are offset by greater procurement cost depends, of course, on the particular manufacturer and commodity.

Correct phasing or timing of materials and assemblies for the production line are vital to successful mass production. Air freight's capacity to bring material sources closer to the production line has enabled many large industries to reduce stockpiles and thus overhead costs. It has also introduced the concept of extending the "flow" back beyond assembly out to primary suppliers. The automobile industry is a prime example of this.

Moving from production to distribution, air freight enthusiasts point out the savings possible through fewer regional warehouses, maintenance and service centres. Where formerly transport limited one-day replacement of inventory to a radius of 300-500 miles, air freight now extends it to over 1,000 miles. A U.S. West Coast manufacturer or service centre is, by fastest air service, not more than 24 hours from, say, a sole supplier on the East Coast and no more than two days by regular air freight.

Naturally for many industries, particularly those using large quantities of stock items, the railway or the truck will always be the answer to keep large regional warehouses supplied. But air freight claims to be the answer for a wide variety of higher-cost producers' and consumers' items. Nor is item cost always the deciding factor in choosing air freight. In numberless cases, the shipper indicates no cost figure on the air way bill for some part or machine. Particularly when the item is a replacement part needed urgently, its *value* in terms of otherwise lost production is what counts. In many such cases, the air freight rate may even exceed the actual cost of the item being supplied.

A photo-engraver in Washington, for example, may need a 100-lb. replacement part from Rochester urgently; by fastest service it can be at his plant in eight hours, door-to-door, for about seventeen dollars.

A Washington department store can have the latest Los Angeles fashion novelty in its windows twenty hours after a Hollywood showing—with all the obvious advantages in this highly competitive field—for about forty-five dollars per hundred pounds.

Reasons for Choice

Among the countless items moving by air freight those of principal importance and frequency are advertising matter and display material, including printed matter; aircraft and automotive parts and accessories; apparel; baby chicks; business machines; pure-bred stock; drugs, biologicals, chemicals, cosmetics; cut flowers; medicines, pharmaceuticals, and toilet preparations; dry goods samples and swatches; electrical appliances, parts and equipment, electronic apparatus; fashion accessories, furs; film; leather goods; machines and parts; millinery; piece goods; printed matter and printing plates; radios and parts; refrigeration and air-conditioning equipment; sporting goods and equipment; television, telegraph and telephone instruments, parts and supplies.

At the close of World War II a very extensive survey of the market potential for air cargo showed that, of over 1,100 firms actually using it, three-quarters used it chiefly as a means of expanding their market and improving service to their customers. Even then, 18 per cent found it of value in reducing inventories and an equal percentage realized its worth in emergencies. Roughly one in ten of the replying firms used air freight to obtain higher prices, cut transit losses, stay abreast of fashion, and reduce cancellations. A few found it helpful in extending their selling seasons, reducing price fluctuations and even in cutting down refrigeration costs.

In 1946 a U.S. Department of Commerce survey of air commodity transport, based on firms using it regularly, showed that of the 620 firms answering the questionnaire 45 per cent were manufacturers, 39 per cent were wholesalers or retailers, 2 per cent represented agricultural industry, with "others" making up the remaining 14 per cent.

Since then, these percentages will have varied both seasonally, as might be expected, and annually. Variations are probably most marked in such lines as TV, films, printing and advertising, electronic and nuclear engineering and apparel fashions.

The following table shows the increase in ton-miles of cargo flown domestically up to 1952.

Domestic Air Cargo Ton-Miles Flown by U.S. Scheduled Airlines in Scheduled Services 1945-52

	EXPRESS Domestic Trunk Lines	(in thousands) Local Service Lines	FREIGHT Domestic Trunk Lines	Local Service Lines	TOTAL Air Cargo ton-miles (millions)
1945	20,509	11	1,168	n.a.	21·6
1946	23,651	24	14,433	....	38·0
1947	28,533	117	35,244	62	63·8
1948	29,768	189	70,437	264	100·3
1949	27,329	320	94,189	435	122·2
1950	36,538	622	112,860	695	149·8
1951	40,259	908	100,581	920	142·0
1952	40,375	887	117,128	1,116	159·3

(from Air Transport Facts and Figures 1953)

These rounded figures do not include the ton-mileage flown by U.S. territorial airlines serving Hawaii and Alaska, which carried about 1·5 million ton miles in 1952, nor the U.S. international airlines whose ton-mileage last year was 72·6 million. Neither are figures included for the non-scheduled domestic lines among whom were the domestic all-cargo operators (over 85 million ton-miles), nor the large irregular service air carriers operating on the Korean airlift who last year flew 76 million ton-miles.

The future rate of growth of air cargo probably depends chiefly on improved types of economical cargo aircraft and corresponding rate reductions, as well as on future business conditions and market demand.

In relating the volume of air cargo to the total figure for domestic commodity transport, the reader must remember the vast amounts of primary materials, coal, ore, wheat, forest products, petroleum, fibres, textiles, chemicals, meat and animal products carried by the railroads, the motor carriers, pipelines and internal waterways. Although domestic air cargo made up only one-thirtieth of one per cent of the 1952 total commodity transport, this in itself is an indication of the potential for development.

A 1952 staff study by the Civil Aeronautics Administration forecast all domestic air cargo ton-mileage as rising to 600 to 800 million by 1960, trebling the 1952 volume. Whether this estimate is high (or low, as some air cargo advocates hold) there seems little doubt that air cargo's use in expanding markets and service and reducing inventory overheads is likely to increase.

—G. A. Browne
Commercial Secretary for Canada

An airmail service for second class mail from Canada to Great Britain became effective on December 15th. Second class mail includes printed matter, commercial papers, samples, newspapers and literature for the blind. The air postage rate is ten cents for each ounce or fraction thereof. The general regulations of the service for surface second class mail apply. Second class airmail must not contain anything in the nature of a current letter, must not be sealed against inspection, must be clearly superscribed in the upper left-hand corner of the cover for the particular service intended—"printed matter", "commercial papers", "samples", "newspapers" or "literature for the blind". A blue airmail label, which can be obtained free of charge at any post office, must be affixed to each airmail item at the top left-hand corner on the address side.

General Notes

AUSTRALIA

Pact with Indonesia—The Commonwealth Minister for Customs has announced that representatives of the Australian and Indonesian Governments have drawn up a new trade agreement to operate for twelve months from November 1st. The agreement has yet to be ratified by the two Governments.

Petroleum products make up the bulk of Australia's imports from Indonesia, which include tea, rubber, kapok and other fibres, molasses, tobacco and timber. Flour accounted for 80 per cent of Australia's exports to Indonesia last year, but useful trade is being developed in milk products, metals and metal manufactures, colours for paints, patent and proprietary medicines and a wide range of industrial goods.

Australia's exports to Indonesia were valued at £3·2 million in 1950-51, £4 million in 1951-52, and £5 million in 1952-53. Imports from Indonesia, exclusive of petroleum products, for the same three years were £3·4 million, £4·4 million and £1·7 million respectively—Melbourne, Nov. 27.

Tantalite Mining—A £200 thousand company is being formed in Melbourne, it is reported, to develop rich tantalite areas in the northwest of Western Australia. The company is taking over leases held by Tantalite Ltd., and has obtained options over tracts of land near the Pilbara goldfields with the approval of the West Australian Government. The company will take over the plant formerly operated by the Commonwealth Government. Tantalite has been mined in the northwest since 1930.

Australia is said to have in the Pilbara district one of the largest known deposits of tantalite in the world. The ore provides the metal tantalum which resists acid and withstands tremendous stresses. The ore will be carried by road to Port Hedland and shipped to the U.S. and Germany for treatment—Melbourne, Nov. 23.

FRENCH GUIANA

Mining Prospects—Three years of exploration have revealed both mineral and hydro-electric possibilities in French Guiana. Unofficial reports state 100 million tons of bauxite, with an alumina content of 40 to 50 per cent, have been located in the Kaw district. Deposits of iron ore, tantalite ore and gold are being assessed. A mission representing electric power interests in Paris is surveying the Maroni River which, it is said, could produce 2½ billion kilowatt hours per year—Port-of-Spain, Dec. 2.

INDONESIA

Trade Agreement with Sweden—Indonesia and Sweden signed a new trade agreement on October 21, 1953, which provides for the exchange of goods between the two countries for the period June 1, 1953, to May 31, 1954. Under the terms of the agreement, Indonesia will export to Sweden 82,900,000 Swedish crowns worth of rubber, copra, tin, oil cake, pepper and coffee, and will import from Sweden 47,050,000 Swedish crowns worth of industrial goods—Djakarta, Nov. 25.

JAMAICA

Adverse Trade Balance Reduced—From January to June, 1953, Jamaica's adverse trade balance was slightly over £1 million, as compared with £9 million for the same period of 1952. The improvement resulted from a reduction of £2·5 million in imports for 1953, compared with the same period of '52; the value of exports increased by £5 million.

The steep rise in the value of domestic exports is due mainly to an increase of £2·5 million in sugar and £1·5 million in bananas. The citrus crop also was larger.

The principal reason for the sharp reduction in imports was the lower spending for capital equipment by the bauxite interests. Their imports are on a "no funds" basis, but they are recorded at full value in the trade statistics—Kingston, Dec. 4.

MEXICO

Foreign Investments—Foreign investments in Mexico at the end of 1951 amounted to 5,840·7 million pesos (approximately $687 million). The Department of Economic Studies of the Bank of Mexico reports that these investments were distributed as follows (in millions of pesos): manufacturing industries, 1,565·2; mining, 1,372·9; electricity, gas and water, 1,312·5; business enterprises, 883·2; transportation and communications, 532·9; oil, 73·1; farming and stock raising, 50·8; construction, 27·5; other, various, 31·1—Mexico, D.F., Dec. 5.

PAKISTAN

Safety-Razor Blade Factory—A safety-razor blade factory is under construction in Hyderabad, Sind, and is expected to go into production in the near future. This is the first factory of its kind in Pakistan. Annual production of 30 million double-edged safety-razor blades is planned, more than enough to meet the present demand—Karachi, Nov. 23.

Rayon Factory for East Bengal—It is reported that an agreement has been reached with a United States firm for the establishment of a rayon factory in East Bengal, to cost $30 million—Karachi, Nov. 23.

PORTUGAL

Antibiotic Prices Lowered—The Ministry of Economy has announced further reductions in the prices of some antibiotics. In April 1953, reductions in prices were announced—from 5.50 to 4.00 escudos per million international units of penicillin, and from 7.00 to 6.00 escudos

per gramme of streptomycin. With the new reductions, the basic prices for penicillin and streptomycin are 3.00 escudos and 5.50 escudos respectively.

The new prices for the sale of national drugs (injectable solutions) which contain these antibiotics will result in a total saving for the consumer of about 5,300 contos a year (one conto equals about $30.00)—Lisbon, Dec. 4.

SWEDEN

Agricultural Sales—Sweden's efforts to sell surplus agricultural products, particularly grain, fats and eggs, are meeting unexpectedly severe competition because the United States authorities have decided to sell surplus agricultural products, to a value of $250 million, against payment in non-dollar currencies. Of this amount, products to the value of $140 million are to be sold on the European market—Stockholm, Dec. 3.

Agricultural Exports to West Germany Drop—Swedish exports of agricultural products to West Germany, one of her principal customers, have decreased during recent years. Of the total value of Swedish food exports in 1952, West Germany purchased 32 per cent compared with 57 per cent in 1950. Exports to West Germany of rapeseed and rapeseed oil in 1952 comprised only 11·5 million kilograms, against 71·1 million in 1951 and 34·8 million kilograms in 1950. West Germany is covering its requirements for margarine production by imports of copra and soya beans—Stockholm, Dec. 3.

UNITED KINGDOM

Fertilizer-Herring Deal—Herring curers in Peterhead, Aberdeen, were recently granted licences to import from the Russian zone of Germany 30,000 tons of kainite, a fertilizer used for sugar-beet growing, in exchange for 40,000 barrels of cured herring—London, Dec. 7.

WEST GERMANY

Trade with East Bloc Countries—German foreign trade with the East Bloc countries increased considerably during the past months as compared with 1952, when trade volume was more than 20 per cent below 1951. Between January-September 1953 imports from these countries totalled 282·2 million DM, compared with 220·8 million DM the year before, 2·5 and 1·9 per cent respectively of total German imports. This favourable development is mainly the result of large increases in imports from the USSR and China; the latter exceeded 13 million DM during August and September.

German exports to East Bloc countries increased from 152·3 million DM during January-September 1952 to 224·4 million in 1953. This increase was almost entirely the result of larger exports to China, mainly sheet and bar iron, optical and chemical products. The percentage of total German exports increased from 1·2 and 1·7 per cent during this period—Bonn, Dec. 2.

Trade and Tariff Regulations

Japan Allocates Foreign Exchange for Imports

THE JAPANESE FOREIGN EXCHANGE BUDGET, which appropriates foreign exchange for imports for six months at a time, allocates $1,335 million for the period October 1, 1953, to March 31, 1954. This includes $928 million for imports under the Foreign Exchange Fund Allocation System and $237 million for those under the Automatic Approval System; the balance is held in a reserve fund. Of the total Budget $721,309,000 is allocated for the import of goods from the dollar area. Two separate Import Control Notices have been issued by the Ministry of International Trade and Industry, providing for imports under the Budget.

Commodities under Allocation System

Import Control Notice No. 35, effective from October 7, 1953, announces commodities which may be imported into Japan under the Foreign Exchange Fund Allocation System. Under this method of import, the importer must obtain an allocation of foreign exchange from the Ministry of International Trade and Industry before making application for an import licence. Applications for import licences may be submitted to the foreign exchange bank up to March 31, 1954.

Commodities included in this notice which may be imported from the dollar area and which are of interest to Canada include: Staple food; wheat flour (for monosodium glutamate); cattle hides; calf skins and kip skins; pulp paper; sulphite rayon pulp; asbestos; refractories materials; iron ore; ore of non-ferrous base metals; non-ferrous metal scrap; nickel; magnesium; manufactures of non-ferrous base metals; coal; chemicals; medicines; agricultural chemicals.

The allocation made by this Import Control Notice for imports from all areas under the Foreign Exchange Fund Allocation System is estimated to amount to $447,909,000, including $126,842,000 for unpublished items and $321,067,000 for planned import items. The principal planned imports include: 230,000 tons of barley, 290,000 tons of wheat, 28,000 tons of feed wheat, 1,224,000 tons of iron ore, 130,000 tons of potassium salt, 720,000 tons of coking coal, and 39,000 tons of phosphorite.

Import Control Notice No. 34, effective from October 3, 1953, lists commodities which may be imported into Japan under the Automatic Approval System. Under this import procedure, a limit is allotted under the Budget for goods from the sterling currency area, the open account area, and the dollar area. Confidential quotas are provided for each item. Until the limit is reached, importers may present applications for import licences to the foreign exchange bank and automatically receive licences. Applications will be accepted up to March 31, 1954.

According to the Notice, some 119 items may be imported from the dollar area under this system. Many of these items are of interest to Canada, such as: wheat and barley for feed; cattle hides; calf and kip skins; asbestos; iron and steel scrap; copper ore; polystyrene and styrene-monomer; lactic casein; machineries; iron and steel products.

Further details may be obtained, on request, from the International Trade Relations Branch, Department of Trade and Commerce.

ECUADOR

New Tariff System—Beginning January 1, 1954, Ecuador will change its present composite tariff system of ad valorem and weight to one based solely on weight. In practically all cases the net kilogram will serve as the basis for computation, although for some products the gross kilogram will be used. Other exceptions are livestock, where the tariff will be so much per head, and alcoholic beverages for which the litre measure will serve as the standard.

The new system, including classification and rates, represents the five years' work of a United Nations' commission loaned to Ecuador for this purpose. In practice, it is hoped that it will greatly simplify the whole system of customs clearance. At the moment any item of import, in addition to the regular tariff rate of duty, is subject to many different internal taxes, each of which has to be calculated separately. The new rates have been set at such a level as to incorporate all these secondary taxes and hence to eliminate the necessity for computing them.

UNITED KINGDOM

Import Control Relaxed on Certain Printed Matter—The Board of Trade, in Notice to Importers No. 598, announces the addition of the following printed matter to World Open General Licence:

- Official government publications published by the Central Government of their country of origin or by States members of the Federal Government of their country of origin.
- Books and other publications published by the United Nations Organization or any of its specialized agencies.
- Publications for which no payment has been or will be made, intended to promote tourist travel outside the United Kingdom.

- Books, publications and documents of all kinds in raised characters for the blind.

The effect is that, from November 25, the foregoing may be imported into the United Kingdom from any country without separate licence.

UNITED STATES

Tariff Commission Investigation into Imports of Alsike Clover Seed—The United States Tariff Commission has announced that on December 2, 1953, it instituted an investigation under section 7 of the Trade Agreements Extension Act to determine whether Alsike Clover Seed, provided for in paragraph 763 of the Tariff, and on which a concession was granted under the General Agreement on Tariffs and Trade, is, as a result in whole or in part of the customs treatment reflecting such concession, being imported into the United States in such increased quantities, either actual or relative, as to cause or threaten serious injury to the domestic industry producing like or directly competitive products.

The present U.S. duty on Alsike clover seed is two cents per pound.

URUGUAY

Trade Agreement with Canada—A new agreement was signed on October 19, 1953, between Canada and Uruguay and will enter into force following ratification by both countries.

Under this new agreement most-favoured-nation treatment will be exchanged with regard to internal taxes on imports. Thus, Canadian products imported by Uruguay will be granted the same treatment with regard to internal taxes as that given to national products, with the exception of certain pharmaceutical specialties, toiletries, perfumery, cigarettes and cigars, fine liqueur wines, vermouth, champagne, matches and playing cards.

Canada and Uruguay exchange full most-favoured-nation treatment with regard to tariffs, import and exchange controls under the terms of the Trade Agreement signed in 1936 by the two countries.

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02728.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 10*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1297	
		Basic buying	·1947	
		Preferential selling	·1947	(1)
		Basic selling	·1297	
		Free	·07007	
Austria	Schilling		·03744	
Australia	Pound		2·1900	
Belgium Luxembourg & Belgian Dependencies	Franc		·01953	
Bolivia	Boliviano	Official	·00512	
British West Indies	Dollar		·5703	(3)
	Pound		2·7375	(4)
	Dollar	Brit. Honduras	·6843	
Brazil	Cruzeiro	Official selling	·05172	tax 8%
		Effective buying	·03432	(2)
		Coffee buying	·04167	(5)
Burma	Kyat		·2044	
Ceylon	Rupee		·2053	
Chile	Peso	Official	·00885	
Colombia	Peso	Basic	·3894	
Costa Rica	Colon	Official	·1734	(6)
		Controlled free	·1466	*
Cuba	Peso		·9734	tax 2%
Czechoslovakia	Koruna		·1352	
Denmark	Krone		·1409	
Dominican Republic	Peso		·9734	
Ecuador	Sucre	Official	·06490	(7)
		Free	·05582	
Egypt	Pound		2·7953	
Fiji	Pound		2·4662	
Finland	Markka		·00423	
France	Franc		·00278	
French Africa	Franc		·00556	
French Pacific	Franc		·01529	
Germany	D Mark		·2318	
Greece	Drachma		·000032	
Guatemala	Quetzal		·9734	
Haiti	Gourde		·1947	
Honduras	Lempira		·4867	
Hong Kong	Dollar	Free	·1643	*Dec. 4
Iceland	Krona	Official	·05977	
		Special buying	·04602	
		Special selling	·03708	
India	Rupee		·2053	
Indonesia	Rupiah	Basic	·08539	(8)
		Dollar certificate	·00183	*

* Latest available quotation date.

Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 10	Notes (See below)
Iran	Rial	Official	·03018	*
		Certificate	·01011	*
Iraq	Dinar		2·7256	
Ireland	Pound		2·7375	
Israel	Pound	Basic	2·7256	
		Investment	·9734	(9)
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·3007	
Mexico	Peso		·1125	
Netherlands	Guilder		·2562	
Netherlands Antilles	Guilder		·5162	
New Zealand	Pound		2·7375	
Nicaragua	Cordoba	Effective buying	·1475	(10)
		Offical selling	·1380	
		With Surcharge I	·1209	
		With Surcharge II	·09685	
Norway	Krone		·1363	
Pakistan	Rupee		·2942	
Panama	Balboa		·9734	
Paraguay	Guarani	Basic	·06490	(1)
		With Surcharge I	·04635	(11)
		With Surcharge II	·03244	
Peru	Sol	Certificate	·05308	
Philippines	Peso		·4867	tax 17% (2)
Portugal	Escudo		·0339	
El Salvador	Colon		·3894	
Singapore & Malaya	Straits dollar		·3194	
South Africa (Union of)	Pound		2·7375	
Spain & Dependencies	Peseta	Basic buying	·04445	
		Basic selling	·08675	
		Basic commercial selling	·05926	(1)
		Free	·02499	
Sweden	Krona		·1882	
Switzerland	Franc		·2265	
Syria	Pound	Free	·2735	*Nov. 16
Thailand	Baht	Official	·07786	(1)
		Free	·04691	*Oct. 30
Turkey	Lira		·3477	
United Kingdom	Pound		2·7375	
United States	Dollar		·9734	
Uruguay	Peso	Official	·6408	
		Basic buying	·5468	
		Special buying	·4142	(1)
		Basic selling	·5123	
		Special selling	·3973	
Venezuela	Bolivar		·2906	(12)
Yugoslavia	Dinar		·00324	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador; Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by 33⅓ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.

JANUARY 9 SATURDAY

...a New Year, and "Foreign Trade" takes a new look at the East —a round-up of business conditions in Asia, Africa and the Middle East.

—worth reading

foreign trade

DECEMBER 26, 1953

Season's Greetings
to all our readers
from the
Department of
Trade and Commerce
at home and abroad

Our Cover . . .

Early in November, twenty offices of the Canadian Trade Commissioner Service received a rather unusual letter. It came from us at "Foreign Trade" and it asked the officer in charge to send us, post haste, two or three Christmas cards typical of the country.

We hastened to explain that we were not trying to impress our friends with our cosmopolitan contacts nor to give an exotic touch to a Canadian Christmas. We had in mind a Christmas cover for the magazine . . . a cover that would convey to our readers the good wishes of our "foreign correspondents" whose reports we have featured throughout the year.

The cards came winging in from 19 different countries and our artist worked 17 of them into the composite design on the cover. If you look closely, you will see a sunset scene in Malaya . . . a Madonna and Child that reflects the religious emphasis in most Italian greeting-cards . . . a flower design traditional in Norwegian peasant art . . . an Arab woman from Ramallah in her distinctive dress . . . a Portuguese countryman wearing a tuque that closely resembles those which Canadians sport . . . the unmistakable silhouette of the Eiffel Tower . . . Swedish peasants in their bright costumes . . . and many more.

In South Africa the greeting on Christmas morning is "Geseende Kersfees" . . . in Argentina, "Feliz Navidad" . . . in Norway, "God Jule" . . . in France, "Joyeux Noël". So, in presenting our cover, we say "Merry Christmas"—from the editor, the staff, and the contributors to "Foreign Trade".

foreign trade

VOL. 14 OTTAWA, DECEMBER 26, 1953 NO. 365

'ER . . . The montage
conveys our Christmas
s is composed of cards
Argentina, Mexico,
, Great Britain, Norway,
rlands, Sweden, Ger-
, France, Italy, Portugal,
ion, South Africa, Mala-
apan, Hong Kong, India,
d, of course, Canada.

Published weekly by the Department of Trade and Commerce under the authority of the Right Hon. C. D. HOWE, Minister, and WM. FREDERICK BULL, Deputy Minister.

Please forward all subscriptions and orders to: The Queen's Printer, Government Printing Bureau, Ottawa.
Price: $2.00 a year in Canada; $3.50 abroad. Single copies: 10 cents each.

Venezuela Expands Secondary Industry

The campaign to build up manufacturing and reduce dependence on oil revenues is in full swing. As it progresses, it will affect the type, but not necessarily the total, of imports.

CARACAS—Venezuela is in the midst of a government program to extend and diversify the industrial structure to reduce the country's dependence on petroleum operations. The "Made in Venezuela" label can now be placed on a wide variety of products and several important enterprises are definitely planned for the future. The large financial returns from petroleum enable the Government to take an active part in the development of the country and favourable laws and regulations on the entry of capital attract foreign investors. Using 1948 as a base year of 100, the value index of manufactured products increased to 274 in 1952 and industry employed 24 per cent of the active population, compared with 17 per cent in 1941.

The high cost of production in Venezuela demands a retail price for the domestic product far above its imported counterpart. These conditions preclude any opportunity for export sales and the domestic market of five million people is a limiting factor for certain types of industries. Adequate tariff protection has been the answer to foreign competition and with few exceptions this assistance has been necessary to interest new enterprises and assure the survival of existing ones.

Food Processing

The output of powdered milk from the single producer in Venezuela amounted to 2,450 metric tons in 1952, an increase of 40 per cent over the previous year. Another plant may be constructed in the central region around Valencia, which is an important farming area with easy access to the Caracas market. A wide variety of biscuits is made in a modern plant affiliated with a major producer in the United States. Several small ice cream plants received further protection against imports in 1952 and this has prompted local industrialists to construct a modern factory in Caracas which will be ready for business in 1954.

Confections of all kinds are made in eight different factories which produce over 1,300 tons of chocolate products a year. The largest firm has recently opened a new plant with much greater capacity to serve the increased demand. Canned food production is limited in variety and at present includes only tomatoes, jams, juices, and sardines. Pineapples may be added to this list early next year.

Beverages are in steady demand in Venezuela because of the warm climate and impure drinking water. Rum is the only liquor distilled in commercial quantities. The brewing industry has flourished in the past five years and the supply of good-quality beer from twelve breweries has now exceeded the demand. Many varieties of soft drinks are bottled

The making of wrapping paper, kraft and corrugated cardboard is one of the secondary industries that has grown up in Venezuela as this picture, taken in a paper factory at Maracay, proves. But imports of paper products from countries like Canada are still substantial.

throughout the entire country, including all the well-known American brands. The average annual consumption in 1952 was 30 litres a person compared with 5·4 in 1945.

Textiles and Clothing

The production of textiles and clothing is an important industry, employing 40 per cent of the industrial workers in 1952. Cottons, rayons, and woollens are processed in 40 mills which have a total of 3,500 looms, 100,000 spindles and 400 knitting machines. Domestic cottons have suffered from the consumer preference for rayons and the lower prices and attractive patterns of imported cottons. The quotas have only been sufficient to maintain part-time production in the mills.

Domestic rayons are of good quality and design and present protection averts serious competition from abroad. Since 1952 the rayon acetate yarn has been supplied from the local subsidiary of an American corporation, a modern enterprise which can supply the two rayon mills.

Nylon yarn is imported by two companies to make hosiery and prohibitive import duties on the finished product give these companies a virtual monopoly of the market. Fifty per cent of the demand for worsteds is supplied by two local mills and another one may be added in 1954. Domestic output is assured a market by putting imports on a quota. These imports come chiefly from England, because of definite consumer preference.

78640—2

Forty-five clothing manufacturers account for 95 per cent of the total garment production (mostly men's wearing apparel) because of the high rate of duty imposed on imports in 1952. The same protection is anticipated for women's wear in 1954, as domestic production overtakes requirements. All articles of men's clothing are now made in Venezuela as are women's cotton and rayon dresses and lingerie.

The Building Trade

Venezuela has witnessed a tremendous building boom since 1946, and the resultant demand for materials has encouraged many new enterprises. Seven cement plants produced 840 thousand tons in 1952 and imports—some 890 thousand tons in 1949—will be eliminated by next year when another plant is opened. Roofing tile, floor tile, and bricks for construction purposes, all from local kilns, are in ample supply. A marble quarry operates near Caracas but some imports are still required.

Logging operations are on a minor scale and the small sawmills throughout the interior sell green undressed lumber to the construction companies and the furniture trade. Supply is pared to domestic demand for the principal woods, mahogany and cedar, and the buyer does any needed finishing. High import duties on completed furniture have helped the many small factories and a home can now be completely furnished with modern and practical articles, all made in Venezuela.

Paint sales have also increased with the rise in building construction and three local plants are able to resist the competition from imported name brands, thanks to tariff protection. The market will be almost independent of imports when a large American paint firm opens its Venezuelan affiliate in 1954. An English company may also set up a plant in Venezuela in association with its present distributor.

Machinery and Metals

The machinery and metals trades have improved their position in the last few years but there must be further development before primary metals and materials replace finished imports to any great extent. Lack of technical training in the labour force and high unit costs for products in limited demand have lured capital investment to more promising fields. With the exception of repairs and maintenance for oil-drilling machinery, machinery breakdowns call for a replacement part rather than a repair job, particularly where precision machining is required.

There are more enterprises in the metal trades, where processing is not too difficult. One firm manufactures a complete line of office and home metal furniture and now does an annual business of well over a million dollars. Aluminum window shades and frames, garden furniture, and restaurant equipment are made in small establishments but imports are still required to fulfil the demand. Processing of other non-ferrous metals is of no commercial importance.

Assembly plants are confined almost exclusively to the automotive field. The two biggest American car manufacturers assemble most of their models in postwar plants in Caracas, but the size of the market limits the scope of other automotive assembly operations. Household appliances are imported ready assembled, with the exception of one line of refrigerators.

Other successful manufacturers in Venezuela include producers of tires and tubes, cigarettes, paper bags, sole leather, shoes, rope, laundry soaps, and matches. A noticeable absentee is the production of glass. The market for all types of glass is estimated at 50,000 metric tons for 1953 and depends entirely on imports. A group of local industrialists is interested in constructing a bottle plant and domestic production may be supplying part of the market within the next few years.

With the effective support of a Government that is in a financial position to assist industry, new enterprises can progress and prosper. Corporation taxes are negligible, personal income taxes are low, and profits can be transferred to foreign investors without restriction. When production exceeds demand, tariff protection will either remove or reduce the threat of foreign competition.

The development of national industries has naturally affected the pattern of imports, but not to the extent of lowering the total dollar amount. Processed items are diminishing but imports of primary materials are rising to keep pace with the greater population and the higher living standards. Venezuela will continue to be an important market for Canadian exports and it should be considered more seriously as an attractive place for Canadian investment abroad.

—F. B. CLARK
Assistant Commercial Secretary for Canada

Hydro-Electric Power in Portugal

LISBON—The second dam of the Cavado and Rabagao Rivers in Northern Portugal was completed on June 25, as part of Portugal's four-stage hydro-electric development scheme. This second stage is expected to provide 200 million kwh. a year. The dam and plant cost an estimated 300 million escudos and the plant is the first important generating station built underground (nearly 400 feet) in Portugal. The third stage is expected to come into service during 1954 and the fourth stage in 1956. The total combined production, in normal years, is estimated at about 1,000 million kwh. a year.

The new hydro-electric scheme for the River Douro on the Spanish-Portuguese border has been given high priority by the Portuguese Government and will be one of the major projects of the Six Year Plan. For this purpose a company, the Empresa Hidro-Electrica do Douro, has been established with a capital of 220 million escudos. The Government will contribute 55 million escudos from the National Development Fund, provident institutions will invest a similar amount, and the remainder will be subscribed by banks and private organizations. The same company will also undertake the construction of future dams on the Douro River. The development, when completed, is expected to supply Portugal with 2,500 million kwh. a year. It is understood that the Mutual Security Agency is providing technical advice, in view of the value of this project to Portugal's security and industrial development.

Federation in Central Africa
. . . what it means to the economy

JOHANNESBURG—Just two months ago, a new nation was born in Southern Africa. On October 23, 1953, the Constitution of the Federation of the Rhodesias and Nyasaland came into operation, welding the three territories into a single political and economic unit. The fanfare attendant upon its birth was largely political, but local businessmen as well as politicians are enthusiastic about the potentials of the new Federation of Central Africa. To them, the banding together of the three territories into a country that is slightly larger than the Union of South Africa, their southern neighbour, means greater opportunities in every field of business.

Pooling of Resources

Before the three territories federated, each had its own particular problems. Nyasaland, for example, was too small to exploit its large deposits of bauxite and of other minerals and relied on agriculture to keep its large African population employed. Under federation, it may be possible to develop an aluminum industry and to find a market for an increasing output of foodstuffs in the two Rhodesias. Nyasaland cotton may well help to make the Southern Rhodesia weaving and spinning industry less dependent on outside supplies of raw cotton.

Northern Rhodesia employs almost all its manpower in the mining of copper and its copper exports have been the main factor in its favourable balance of trade which totalled about £40 million in 1952. But this territory must import a large part of its food.

Rhodesian Trade Balances

The most highly developed territory of the three—Southern Rhodesia—exports large quantities of tobacco, asbestos, gold, and chrome. It is, in fact, the world's third largest producer of chrome (450,000 short tons in 1952, worth £2·3 million) and the third largest producer of asbestos (85,000 short tons in 1952, worth £6·7 million) and also has iron ore, limestone and coal deposits. Nevertheless, Southern Rhodesia has a chronic adverse balance of trade, reaching about £27 million in 1952, because its mining, engineering, food processing, weaving and other industries spend more on capital equipment and raw materials than the colony's exports earn. Under Federation, Northern Rhodesia's trade surplus will help to offset Southern Rhodesia's deficit.

Both the Rhodesias have trouble feeding themselves and must bring in large quantities of food from the Union of South Africa. Now—as one Southern Rhodesian minister pointed out before Federation was finally achieved—it should be possible, by co-ordinating agricultural and marketing policy, to cut down food imports and alleviate the effects of drought, which is scarcely likely to strike all three territories in the same year. In the same way, Southern Rhodesia will be able to take advantage of the larger internal market for the goods which its factories turn out.

One of the most potent arguments in favour of Federation was that it would help to attract overseas capital to develop the three territories and particularly to expand and improve the transportation system and hydro-electric power projects. In the past, the three constitutent territories have solved their transportation and communications problems by mutual agreement, but there was always the possibility that disagreements might arise. Similarly, electric power schemes affecting more than one territory have long been endangered by conflicting opinions in the governments concerned. Federation should make future development easier.

Development Will Be Speeded

There are tremendous possibilities for the development of cheap hydro-electric power within the Federation. Steps have already been taken to erect a £30 million dam and generating station on the Kafue River, a few miles upstream from its junction with the Zambesi. The capital for this scheme has been raised in London and it is expected that turbines in the plant will start generating 243 thousand kilowatts by the end of 1959. If the Kafue River plant eventually proves inadequate, a second hydro-electric project, capable of generating a million kilowatts, can be installed in the Kariba Gorge of the Zambesi River.

Local businessmen undoubtedly are enthusiastic about the economic advantages of Federation and there is a sound foundation for their optimism. As one of the members of the Northern Rhodesian Legislative Council put it in a recent speech: "The tale of specific economic advantages might be extended almost indefinitely. As a reverse exercise, it would be interesting to start a list of Canadian enterprises, at present successful and prosperous, that would be almost fatally handicapped—indeed, might find it impossible to continue in many instances—if all the provinces were suddenly to revert to separate nation-states, each with its own economic, fiscal, financial, immigration, development and currency policies, and each crouching behind its own tariff wall."

Effect on Trade

The enthusiasm of local businessmen about Federation appears to be well founded. Its effect on foreign trade cannot be so easily determined. In assessing this Central African market, Canadian exporters should bear in mind that there are only 200 thousand Europeans in all of Central Africa and the purchasing power of the six million Africans who make up the remainder of the population is very limited.

Total imports into the Federated territories during 1952 amounted to over £124 million, of which £56½ million came from the United Kingdom and £34½ million from the Union of South Africa. Principal imports from Britain include piece goods of cotton, silk, and rayon; machinery, locomotives, rolling stock, motor cars, bicycles, tractors, pumps and accessories, steel and other metals, tools, clothing, etc. Principal imports from the Union include animal feedstuffs, wheat and other cereals, fresh and dried fish, fruit, sugar, clothing and footwear, cotton piece goods, agricultural and mining machinery, iron and steel pipes and fittings, tin containers, electrical cables and wire, motor cars and trucks, superphosphates, motor car tires and tubes, and blasting compounds.

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Strict controls on dollar imports enabled British and South African manufacturers to gain this dominant trading position with the Central African territories, but these restrictions may well be eased in the months ahead and Canadian exporters should prepare now to re-enter this expanding market.

—HOWARD CAMPBELL
Assistant Canadian Government Trade Commissioner

The Midlands Engineering Industry

LIVERPOOL—Conditions in the Midlands engineering industries vary, but in general business is active and good. In fact, in most companies it is steadier than six months ago and better than earlier expectations. The automotive trade and its associated industries play an important part in this field but their position seems to have been maintained and even improved. As is usual, business fell off during the summer months.

One of the favourable factors is the appearance of more adequate supplies of the metals in common use—nickel, for example. Companies engaged in construction and civil engineering projects are still being rationed by the mills for plate and certain other classes of steel. The light castings section of the foundry trades is not yet working to capacity; those supplying heavy castings are in a better position.

Much of the improvement stems from increased domestic business. The industry is keeping up exports but they are proving less profitable because of the price competition from foreign countries. In some engineering products, wages represent from 45 or 50 up to 70 per cent of the total manufacturing cost. In such industries, continued demand for higher wages means higher costs and selling prices and, with greater competition from other European countries and Japan, this problem is causing anxiety.

Steel output is improving and it is expected that most of the back orders will have been filled by the end of the year. Imports of heavy steel plates from the Continent have helped to ease the situation.

The machine tools trade has been watching with interest the construction of a 650-ton vertical turning and boring machine. It is said to be the largest machine tool ever built in Britain and is destined for export to Canada, where it will be used in the manufacture of hydro-electric components, water turbine parts, and steam turbine casings. It occupies a floor space of 63 by 38 feet, is about 40 feet high, and has a work-turning table 41 feet in diameter. The machine can handle work pieces 42 feet 6 inches in diameter by 13 feet 6 inches high, and weighing up to 100 tons. For shipment, it will be split into parts, with the largest part weighing 57 tons.

—M. J. VECHSLER
Canadian Government Trade Commissioner

FAIRS and EXHIBITIONS

From Canada's Forests

JANUARY WILL BRING a change of scene at the Canadian Showroom in Rockefeller Centre. For the first two months of the year, visitors to the Showroom will see something of the wealth and diversity of products that come from one of Canada's richest resources —her far-flung timberlands.

The pulp and paper family will be there. Newsprint and pulp, blotting paper, fine rag papers, bottle caps, building boards and books—all these will be on display. Hard-by will be the wood family, with samples of many of Canada's native woods. Two model houses, built especially for the show, will demonstrate the value of these woods in actual construction and in millwork, sashes, doors and mouldings. Canadian hardwood, indeed, plays a permanent part in the Showroom for the floor is made of finely-matched Canadian birch and maple.

The exhibit will also illustrate graphically the range of manufactured wood products, beginning with veneers and plywoods, carved furniture, etc., and ending with the lowly toothpick.

A Bigger Basel

A STYLIZED TREE hung with coloured streamers decorates the poster advertising the 38th Swiss Industries Fair and symbolizes the large new building which will be ready at Basel when the fair opens on May 8th, 1954, for ten days. In Switzerland, when the roof is ready to be put on a new building the workmen, following an ancient custom, erect a small tree decorated with many-coloured streamers and then enjoy a special feast.

The Swiss Industries Fair is national in character and this year will have some 2,500 exhibits, including typical Swiss exports such as watches, textiles and textile machinery, electrical equipment, instruments and apparatus.

Marketing Methods

VISITORS TO the Washington State Third International Trade Fair, to be held in Seattle from February 11-24, 1954, can combine their fair-going with intensive study of the techniques of marketing consumer goods in the United States.

This marketing conference will be held on the University of Washington campus in Seattle and the staff will include outstanding

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business, university and government specialists. It is planned to ask two businessmen from each nation invited to participate in the Fair to register for the conference and to participate in all its sessions.

The course will cover such topics as the characteristics of the American market for consumer goods, channels of distribution, retail sales promotion methods, and how to adapt the product to the market. Instruction methods will include lectures, panel discussions, films, and trips through retail stores and industrial plants in the area.

Canadian businessmen interested in more information should write to International Trade Fair, Inc., Seattle, Washington.

Bicycles Built for You

WHEN EXHIBITORS at the week-long British Cycle and Motor Cycle Show, held in London in November, totted up the results, their enthusiasm mounted. The 187 thousand visitors—four thousand more than last year—placed a record number of orders and sales to dollar areas were particularly heartening. By the end of the year, British bicycle exports to the United States alone for the twelve months will reach 400 thousand machines, worth approximately £3,500,000.

Among the more unusual orders placed by visitors to the show were:

- Three gold-plated bicycles, with spokes and chain plated with 18-carat gold at £13 an ounce, sold to an American buyer for 150 guineas each.
- Two hundred 500 c.c. bicycles to be delivered to the Norwegian Army.
- Lightweight bicycles worth a total of 3½ million rials for a Teheran buyer—90 per cent of them to be built with double frames because of poor road conditions in Iran.
- Thunderbird motor cycles for Sydney, Australia, to supplement the present motor cycle escort for the Royal Tour of South Australia.

Visitors came to the Show from 50 different overseas territories, including Uganda, Uruguay, and Saudi Arabia.

Fair Calendar, 1954

- *International Shoe Fair,* Vigevano, Milan, January 5-17. Apply: Pro Vigevano Entė Fiera e Turismo, Palazzo del Comune, Vigevano, Italy.
- *Show and Industrial Fair,* Wellington, January 7-23. Apply: Secretary, Wellington Show and Industrial Fair, P.O. Box 19, Wellington, New Zealand.
- *5th Annual Canadian Furniture Mart,* Toronto, January 11-20. Apply: Charles L. Stark, 347 Adelaide Street W., Toronto, Ontario.
- *37th International Motor and Cycle Show,* Brussels, January 16-27. Apply: Le Commissaire General, Salon de l'Automobile et du Cycle, 22 rue de Luxemburg, Brussels, Belgium.

Swedish Production in 1953

STOCKHOLM—The Swedish Institute of Economic Research, in its preliminary report for autumn 1953, describes Sweden's economic position in 1953 as a protracted boom. Production and employment developed normally and housing construction and public investments have expanded under stable prices and incomes. Total industrial production in Sweden about equalled last year's. The recovery in the textile and forestry industries has compensated for the decline in the engineering industry.

Employment in the engineering industry fell gradually during the period autumn 1952-spring 1953 by about 10 per cent. Since then there has been no further decrease and no reduction is expected in the near future. Exports of engineering products during the first three quarters of this year went down 20 per cent in value compared with the same period last year. This decrease was entirely in exports to Eastern Europe, Finland and South America, and stemmed from payment difficulties in these countries. In other markets, exports of the engineering industry were maintained at the same level, at least in value.

Total Output Increases

In the face of a stagnation in industrial production, shipping and forestry, total production has continued to increase. The increase—as in 1951 and 1952—is, however, smaller than during the immediate postwar years, and comes primarily from the expansion in housing construction. It is estimated that about 50,000 apartments will be completed this year, compared with 44,500 in 1952. Both government and communal investments have increased considerably. On the other hand, industrial investments have declined somewhat since 1952. The slowing-up in industrial production has been coupled with a decrease in employment of about 5 to 6 per cent, or 35,000 to 40,000 workers, since 1951. The decline which, at various periods, has affected development in some industrial fields and shipping is caused mainly by international changes and a deciding factor in the future will be international and particularly American economic development.

The report also includes an estimate of the balance of trade so far this year. On the basis of imports valued at 7,900 million kronor for the whole year and exports at 7,200 million, the balance of trade at the end of the year would show a total deficit of 700 million kronor compared with 797 million for 1952. Net income from shipping is estimated at 800 million (last year it was 1,075 million). As the net income from other services may show a deficit of 100 million kronor, trade for 1953 should balance evenly. Capital transactions are also expected to balance each other this year and currency reserves therefore will probably remain the same at the beginning of the year. For 1952 there was an increase of 132 million and for 1951 of 1,046 million kronor.

—E. M. Partridge
Office of the Commercial Counsellor for Canada

Australian Agriculture and Its Exports II

Lower prices for sales to the U.K. and high production costs have dairy farmers worried; markets for sugar are holding up well; exports of dried vine fruits and eggs may not increase.

MELBOURNE—Of the Australian agricultural commodities going to export markets, dairy products seem to be the most vulnerable to overseas competition. The high production costs, the decreasing domestic consumption of butter, and the loss of nearly 1/– a pound on exports to the United Kingdom have combined to make the situation serious. In the last few years, the dairying industry has required a subsidy of about £16·8 million and if this were discontinued, producers would be in serious straits.

Milk Production and Use

Except for this marketing problem, the dairy industry seems to be faring well. The number of dairy cattle on March 1, 1953, stood at 4,746,000, an increase of 180 thousand over the previous year. Dairy cows now number 3,087,000—some 123 thousand fewer than in 1939.

Weather conditions were generally favourable throughout the 1952-53 season and resulted in a much higher output than in the previous one, when extremely dry weather seriously affected northern New South Wales and Queensland. Whole milk production during 1952-53 is estimated at 1,227·8 million gallons, exceeding the preceding year's output by 16·8 per cent and the average production for the three prewar years ended 1938-39 by 7·5 per cent. The output in 1952-53 was, however, 26·2 million gallons less than the record production of 1,254 million gallons in 1939-40.

This production was used in the following ways (1938-39 figures in brackets): butter, 64 per cent (78 per cent); cheese, 8 per cent (5); condensary products, 7 per cent (3); other purposes, including fluid consumption, 21 per cent (14). This shows that less milk is going into butter and more is being put to other uses.

Butter is, however, still the key dairy product, using nearly two-thirds of total milk production. Total production of butter in 1952-53 was 167 thousand tons, representing an increase of 32,000 tons over the low of the previous year, but 36,000 tons less than in 1938-39.

Cheese production in 1952-53, at 46,786 tons, was a record, exceeding the average for the years 1936-37 to 1938-39 by 21,938 tons (88·3 per cent).

The use of milk in the production of preserved milk products has increased from 33·4 million gallons (2·8 per cent of total production) in 1938-39 to 85·9 million gallons (7 per cent of total production) in 1952-53. Condensed milk production in 1952-53, at 55,489 tons, exceeded

—Australian Official Photo.

A country cattle show at Kiama, New South Wales, brings out a fine parade of Australian Illawarra Shorthorns. Average milk production per cow in Australia remains low, and projects for raising it are under study.

the quantity produced in 1951-52 by 3,022 tons and was 39,970 tons (257·6 per cent) greater than in 1938-39. Production of powdered milk increased from 10,712 tons in 1938-39 to 36,931 tons in 1952-53.

The United Kingdom continues to be the principal market for Australia's dairy products. Exports of butter during 1952-53 totalled 50,136 tons, compared with the low of 12,651 tons in 1951-52 and the high of 117,500 tons in 1939-40. Some 33,665 tons of the 1952-53 output went to the U.K., or 64·3 per cent of the total exported, compared with 95 per cent in 1938-39.

Total exports of cheese in 1952-53 reached 23,078 tons, compared with 16,038 tons in 1938-39. Some 17,344 tons (75 per cent of the total) went to the U.K. in 1952-53 compared with 97 per cent in 1938-39.

Exports of sweetened condensed milk and milk powder increased considerably during 1952-53 but growing competition from overseas producers may reduce exports in the current year.

Home Consumption Falling

Consumption of dairy products in Australia tends to be lower. The per capita consumption of butter in 1952-53 was 29·4 lb., 1·9 lb. lower than the previous year and 3·2 lb. lower than in 1939.

Per capita consumption of margarine rose from 4·9 lb. prewar to 7·7 lb. in 1952-53. At the next Agricultural Council meeting, the States will be asked to reduce the quota of margarine which can be manufactured. At present the total quota for Australia is approximately 10,000 tons. Over half of this is for Queensland which has doubled its

quota in the past two years. The present retail price of butter is 4/1½d. a pound, compared with margarine at 2/6d. a pound—and more margarine could be sold if it were available.

Consumption of cheese has declined from 6·33 lb. per head in 1950 to 5·92 lb. in 1953, but this is 1·63 lb. higher than in 1939.

Marketing Problems

A new five-year stabilization plan, effective since July 1, 1952, guarantees a price to producers based on costs of efficient production. At present the guaranteed price is 4/1·29d. a lb. commercial butter basis, covering all butter and cheese consumed locally, plus 20 per cent of that amount. On non-guaranteed exports (over 20 per cent of home consumption) current losses are estimated at about 1/– a lb. for butter and 7¾d. a lb. for cheese. Thus any factors tending to reduce consumption at home and increase the amount exported to the U.K. worry the industry. The stabilization fund which represented withheld profits on exports in earlier years has been used to subsidize exports in excess of the 20 per cent guarantee.

In addition to this subsidy, the Commonwealth has paid a consumer subsidy of nearly 11d. per lb. on whole milk consumed directly. Although the Dairy Investigation Committee found that dairy farmers' costs had increased during 1952-53 by 1·72d. a lb., the Commonwealth decided not to increase the price of butter to the consumer and the dairy industry has absorbed the extra cost.

British Contract Prices

The contract with the U.K. covers the exportable surplus of butter and cheese but allows agreed quantities to be sold to countries outside the agreement. In 1952-53 and again in 1953-54 this amount was fixed at 13,500 tons butter equivalent.

Some 2,000 tons were recently sold to Russia at a price of 4/– per lb. The prices which the U.K. Government has agreed to pay for Australian butter and cheese for the 1953-54 contract year are approximately 3/7½d. a lb. for butter and just over 2/– a lb. for cheese.

The outlook for most dairy products is not encouraging and the main problem is to reduce costs and thus enable Australian output to compete with that of other exporting countries. The average milk production per cow in Australia is low, about 400 gallons, and raising this is one of the farmers' primary tasks.

Miscellaneous Primary Products

Other Australian primary products entering into world trade and important to the economy are sugar, dried vine fruits, and eggs.

Sugar is the third, and has been the second, most important commodity (after wool), exported to Canada. In 1951 these exports were worth $14·12 million but dropped to $4·4 million in 1952. The area planted to sugar has risen from 258 thousand acres prewar to 290 thousand acres in 1952-53. An unfavourable season in 1952-53 reduced production to 747 thousand tons, compared with an average of 763 thousand tons from 24,000 acres less in the three immediate prewar years. However, it rose to 1,234,500 tons in 1953.

Canada is Australia's second biggest customer for dried vine fruits with purchases of up to 20,000 tons a year. In 1952 Canada imported 16,000 tons out of total exports of 50,000 tons; the remainder went to the U.K. and New Zealand.

The acreage of dried vine fruits has risen from 57,700 acres prewar to 64,000 acres in 1952-53. Further increases appear unlikely because, with high costs of production and no firm U.K. contract, Australia will find it harder to market its surplus of about 80 per cent of total production. Potential production is estimated at 125 thousand tons, although crops have ranged between 56,000 and 90,000 tons over the past few years. The gross value of last season's crop is estimated at £A11·7 million.

For a number of years the U.K. was the sole importer of dried vine fruits and purchased Australia's fruit under contract at prices negotiated annually. On December 1, 1953, the U.K. removed all controls on the import of dried fruits, and sales are now on a trader-to-trader basis. However, as a result of negotiations recently concluded between Australia and the U.K. Government, exports of dried fruits in 1954 will benefit from a support price by the U.K. Government.

If sales proceeds in the U.K. are above the support price, the industry in Australia will get the full benefit of the higher prices. If they are below the support price, then the U.K. will bring the proceeds up to the support level. The support prices finally agreed upon are:

Sultanas and Lexias—£A100 per ton f.o.b.

Currants—£A87.10.6d.-£A93.15.0d.

Egg Production and Markets

The contract for eggs with the U.K. Ministry of Food for 1953-54 has departed from the usual practice of fixed prices. Instead, the Australian Egg Board will be paid the net proceeds by the Ministry which will sell the eggs to the trade at prices determined by market conditions.

The first shipments of Australian eggs during the present season were sold at disappointingly low prices, slightly less in fact than the advances made by the Egg Board to producers—4/6d. and 4/– Australian per dozen. Prices then went still lower and afterwards returned to the opening figures. As a result of these low prices, State Egg Boards curtailed the packing of eggs in shell and increased the manufacture of export egg pulp to take advantage of the fixed U.K. contract price for pulp. The high cost of feed in Australia seems likely to mean smaller production and exports of eggs.

The Outlook

On balance, the agricultural economy of Australia seems to be sound at present, with the export of primary products the main factor in maintaining a favourable balance of trade.

Uncertain prospects for the marketing of dairy products and, to some extent, wheat, in overseas countries may cause a slight decline in export income but, given average seasonal conditions, agriculture in Australia should become increasingly stable.

—R. W. Blake
Agricultural Secretary for Canada

For the first part of this study, see our issue of Dec. 19.

Commodity Notes

ARGENTINA

Railway Material—A foundry for producing railway material for locomotives, passenger and freight cars and street cars was officially opened recently. It is said to be the only one of its kind in South America. Highly mechanized, the plant processes 25 metric tons of ferrous and three tons of non-ferrous material an hour, and operates with a labour force of only 250. Its rail and street-car wheel production capacity is 40,000 a year. To date, it has produced some 400 thousand pieces in iron and steel of different types, and 100 thousand pieces in bronze. All of these items were previously imported—Buenos Aires, Dec. 3.

FRANCE

Automobiles—French automobile factories turned out just over 407 thousand vehicles during the first ten months of 1953, compared with almost 419 thousand during the same period of 1952. Exports were also down slightly, with the figure to date (ten months) 87,000 units. During the first ten months of 1952, 91,000 vehicles were exported—Paris, Dec. 1.

ITALY

Cement—Italian cement production in the first seven months of 1953 totalled 4,389,586 tons, compared with 3,738,633 tons during the same period of 1952—an increase of 650,953 tons or 17·50 per cent. Consumption in the first seven months of 1953 totalled 4,428,490 tons, against 3,813,443 during the same period in 1952—an increase of 615,047 tons or 16 per cent. Production and consumption increased principally in central and southern Italy and in the Islands, where considerable stocks of clinker have also been built up. New cement plants at Catania (Sicily), Trieste and Bagnoli (Naples) will soon be in operation. Production in 1954 is expected to rise by one million tons and thus provide for estimated increased requirements—Rome, Dec. 2.

PAKISTAN

Paper—Pakistan's first paper mill, and the largest on the Indian subcontinent, went into production on October 16th at Karnafuli in East Bengal. It is estimated that production will meet 90 per cent of Pakistan's paper requirements. The mill has a capacity of 30,000 tons a year, cost approximately $20 million, and was over two years

in building. Current production is at the rate of 40 tons per day, and production of 100 tons a day is anticipated by April 1954—Karachi, Nov. 27.

PORTUGAL

Electrical Equipment—Engineering circles in Portugal have been discussing the failure of United Kingdom electrical firms to obtain contracts under the Portuguese six-year development plan largely, it is stated, because of the higher standards established by the British Electrical Authority, particularly for switch-gear. The Portuguese engineering authorities considered the lower Continental standards satisfactory for Portugal and her overseas provinces. It is understood that United Kingdom firms are now redesigning their equipment to meet Portuguese specifications.

Recently it was announced that the French Societe de Constructions Electriques Savoisienne had been awarded the contract to supply to the Companhia Nacional de Electricidade two transformers which will double the capacity of the Oporto sub-station, with complementary equipment being supplied by the French General Electric Company—Lisbon, Dec. 3.

SOUTH AFRICA

Apricots—Cheaper canned fruit in South Africa is foreshadowed by the new prices for canning apricots negotiated between the South African Food Canners Council and the Apricot Growers Association. The new season's prices are: first grade, £27.10.0 per ton; second grade, £24.10.0 per ton, and third grade, £15.0.0 per ton. The Growers Association considers these prices equivalent to an orchard run average of £22.10.0 per ton f.o.b. factory, as compared with £32.10.0 for the 1952-53 season—Cape Town, Nov. 30.

SOUTHERN RHODESIA

Chrome—Southern Rhodesia is fast overhauling South Africa as a producer of chrome ore. At present South Africa is second to Turkey as a producer, followed by the Soviet Union and Southern Rhodesia. Chrome ore deposits in the Union are mainly chemical and refractory types. Those in Southern Rhodesia are the metallurgical type that today is in world demand for industrial and rearmament purposes.

In both the Union and Southern Rhodesia, exports are restricted by transport problems, particularly a shortage of freight cars. The Southern Rhodesian authorities expect rail shipments of chrome to show a big improvement in 1953—Johannesburg, Nov. 30.

SWEDEN

Wood Products—If shipments continue at the normal rate, Sweden's exports of wood products in 1953 may be larger than in any year since the war. Forecasts of exports for the whole year have become higher every month. In the middle of September it was calculated that there would be a total export in 1953 of 750 thousand standards; by the middle of October estimates were up to 800 thousand. Now it is expected that total exports will amount to 830 thousand standards. During the last four years, exports were 605 thousand, 712 thousand, 810 thousand, and 630 thousand standards—Stockholm, Dec. 3.

Plywood for Indian Tea-Chests

The native plywood industry can produce some of the material India needs for tea-chests but quality and prices (despite tariff protection) are not yet competitive, and the trade continues to import.

NEW DELHI—The Indian plywood industry is an important one because, as the world's greatest tea exporter, India uses quantities of this wood for tea-chests. Once it was almost entirely imported; now some of it comes from domestic sources.

During periods of normal exports, the tea industry uses an estimated 100 to 110 million square feet of plywood a year to make approximately five million tea chests. The demand for plywood for other commercial purposes is estimated at 10 million square feet a year. But plywood is replacing solid wood very slowly in India, largely because solid lumber is easy to get and cheap.

The Industry Today

The Indian plywood industry today consists of about 60 government-approved factories, compared with 29 in 1948, which together have an annual capacity of 160 million square feet of tea-chest plywood. There are also a large number of cottage plywood factories. The biggest production centre is in the State of West Bengal, but there are other large producers in Assam, Madras, Travancore-Cochin and Bombay. The peak production of tea-chest and commercial plywood was in 1951, when output reached 60·17 million square feet and 10·15 million square feet, respectively. Imports in the same year totalled approximately 45 million square feet of tea-chest plywood, practically all of which came from Finland, the traditional supplier. In 1952, tea-chest plywood imports dropped to less than half this amount.

Faces Problems

The Indian plywood industry is wrestling with many problems. Most of the factories are of an uneconomic size; the average installed capacity is only 2·6 million square feet a year. Some of them are not well located. The prices of timber and of other raw materials run high and, combined with production costs, make Indian plywood uncompetitive. Furthermore, the tea trade and shipping companies show a decided preference for imported tea-chests because they are of better quality.

It is vitally important to India's tea trade that exports should not suffer because of low-quality packing material. The quality of Indian tea-chests is steadily improving through the efforts of the industry itself and inspection by government agencies. However, the tea industry considers substantial imports of tea-chests essential until both the quality and price of the Indian chests become competitive.

In 1947, the plywood industry applied to the Government for protection. As a result, the Tariff Board proposed that imports of plywood

Two oxen haul a load of logs weighing several tons along an Indian road. Some of these logs will go to native plywood factories, which turn out about 160 million square feet of tea-chest plywood a year.

for tea-chests should be rigidly controlled for a period and that import licences should only be granted when the Indian industry could not meet the demand. Government policy has since followed this recommendation and an import quota based on domestic production is fixed every year.

Recently the Government of India announced that the existing duty of 31½ per cent ad valorem on imported plywoods will continue for a further four years from January 1, 1954. The import policy for the future, as in the past, will be based on output in the home industry, demand, and the availability of foreign exchange. No imports of tea-chest plywood were permitted from January-June 1953. For the current six months a quota of 5 per cent was established to meet the call for superior packing for high-grade teas.

The Indian plywood industry has been acutely affected by the recent slump in tea exports. A number of factories are practically closed and curtailment of production and laying-off of labour is general. However, the tea industry's prospects for the current season seem brighter and the plywood industry should benefit.

India's Five Year Plan contains a number of proposals for the progress and expansion of the plywood industry. These include increased production, establishment of new and economic factories by private enterprise, standardization and control of the quality of tea-chests, reduction of costs through increased mechanization, and research into the use of new types of timber. The overall objective is establishing the industry on a sound economic footing, with costs and quality comparing favourably with imported plywood. Then the protection extended by the Government will no longer be necessary.

—R. K. Thomson
Acting Commercial Secretary for Canada

Philippine Industry Expands

Recent survey reveals trends in industrial production and the range of new industries.

MANILA—An economic survey of Philippine industries just completed by the Bureau of Census and Statistics reveals the peso value of their production. The survey included mining and the generation of electric power, which were estimated as having a combined output valued at $85 million. The value of industrial production during 1952, as reported by 1,881 selected industrial establishments, totalled $700 million, made up as follows:

	$ Million
1. Food, except beverages	179·9
2. Wood products, except furniture	72·9
3. Tobacco products	72 8
4. Beverages (soft drinks, beer, etc.)	66·9
5. Wearing apparel, etc	27·8
6. Vegetable oils and fats	27·4
7. Textiles (piece goods, etc.)	18·5
8. Non-metallic minerals (cement, glass bottles, etc.)	16·9
9. Chemicals and chemical products	14·9
10. Paper and manufactures	6·7
11. Basic metal industries (foundries, etc.)	6·5
12. Others	118·7

Individual Output

Classified by individual industries, sugar heads the list with a total output valued at $129·4 million; lumber occupies second place with $64·6 million, and cigarettes come third, with $69·3 million.

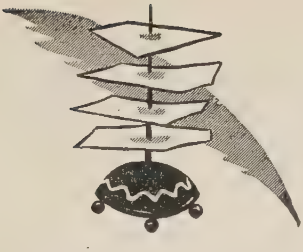
Only 342 bakeries, constituting 13 per cent of the total, have reported their 1952 output, which has a total value of $14·6 million. In the survey, 126 factories making shirts, undershirts, pants, etc., have reported a total production valued at $17·7 million.

Among the new industries surveyed were ten tax-exempt knitted fabric manufacturers who reported a total output valued at $7·4 million; eight jute bag producers, with an output of $3·6 million; five plywood manufacturers, with a production of $3·3 million; five bottle and glass makers, $5·9 million; ten nail plants, $4·1 million; 12 cardboard box makers, $3·6 million; two paper and chipboard producers, $3·1 million.

The survey further revealed that 18 major soft drinks manufacturers have reported an output valued at $33·7 million, 43 per cent higher than the value of beer output and 58 per cent higher than that for alcohol, wines and liquors.

Coconut oil production in 1952 totalled 133·1 thousand metric tons, valued at $27·3 million, and the industries dependent on it for raw material had the following output: laundry soap, 49·7 thousand metric tons, valued at $8·6 million; toilet soap, 2·8 thousand metric tons, valued at $1·3 million; shortening, 24·5 thousand metric tons, valued at $9·1 million; edible oil, 14·4 thousand metric tons, valued at $4·2 million; and margarine, 2·3 thousand metric tons, valued at close to $1 million.

—Frederick Palmer
Consul General of Canada and Trade Commissioner



General Notes

AUSTRALIA

Favourable Dollar Trade—In September, Australia had its first favourable dollar balance since November 1952. The small balance, £171 thousand, resulted from a rise in export earnings because of increased exports of wool, and a decrease in imports from dollar countries. Of the £6,872,000 earned through exports to dollar countries, £4,593,000 came from the United States. Australia's deficit with the dollar countries for the three months ended September 30, 1953, was £1,107,000, compared with £13,855,000 for the same period in 1952 —Sydney, Nov. 30.

BRAZIL

Paper Mill Uses Bagasse—The Fabrica de Papel a Celulose Piracicaba will soon begin production of paper, at the rate of ten tons a day, using sugar cane bagasse. It is reported that a new machine is being installed to increase the capacity to 50 tons a day. The plant is located at Piracicaba in the State of São Paulo—São Paulo, Nov 30.

CHILE

New Whaling Industry—It is reported from Valparaiso that a new whaling company is being formed, with a capital of Ch.$50 million. This company will be situated at the port of San Carlos at the mouth of the River Valdivia. New whaling vessels will be bought in Norway —Santiago, Dec. 1.

ITALY

Television—Television, so far in an experimental stage in Italy, will start on January 1, 1954, as a regular service. Through plants already completed, television programs will at first be relayed from Milan as far as Rome where a production centre has also been planned. Fifty per cent of the Italian population will be served by these first plants. The service will later be extended through further relaying plants to the south of Italy and Sicily—Rome, Dec. 2.

NORWAY

Advertising Campaign for Fur Products—The Norwegian Fur Farmers' Association recently spent 200 thousand kroner on an extensive advertising campaign abroad for Norwegian furs, and the results were good. Blue fox is again beginning to win favour with the large couturiers, particularly in the United States, Norway's largest customer, where blue fox is well on the way to regaining its earlier popularity. The Oslo Fur Auctions also intend to introduce a new

method of sorting under which all first class blue foxes will be designated as "Nordlys". The designation will be registered and will imply a guarantee of quality. This will enable foreign buyers to order the required number of "Nordlys" fox skins without personally attending the fur auctions and they will be sure of receiving skins of the best quality—Oslo, Dec. 4.

PAKISTAN

Paperboard and Strawboard Mills—The Pakistan Industrial Development Corporation, a crown company, is constructing a paperboard mill and a strawboard mill in West Pakistan. The paperboard mill, costing the equivalent of about $2·7 million, is expected to be completed by the middle of 1954. It will use natural straws and grasses to produce high grades of board and paper, at the rate of 750 tons a year.

The strawboard mill is also expected to be completed by the middle of 1954, at a cost of about $1·8 million. It will produce strawboards from cereal straws at the rate of 750 tons a year.

The Development Corporation is also considering a plan for a newsprint factory in East Pakistan. Specimens of woods from the Sunderban forests are being examined in Sweden. If this wood is found satisfactory as a basic raw material, it is expected that a newsprint mill which will produce 30,000 tons of newsprint a year will be set up—Karachi, Nov. 26.

SOUTH AFRICA

Oil-from-Coal Project—Expansion of the basic capacity of the SASOL "oil from coal" plant, being developed as a government project, will delay production until mid-1955. With an output of 240 thousand metric tons a year and a capital cost of £30 million, the cost per ton of fuel produced is expected to be £140. Concurrently, a 600-thousand-ton modern refinery is about to begin operations in Durban. Using imported crude oils, it is being built at a cost of £6·5 million, or about £11 per ton of capacity—Cape Town, Nov. 27.

SWEDEN

Plastic Bandaging—A Swedish firm has recently introduced a plastic protective covering for wounds. Applied in fluid form, it dries quickly to form a flexible, transparent film, through which wounds can be observed without removing the bandage. It also protects against secondary infections and does not irritate the skin. So far, it has been used at one Swedish hospital and has proved particularly suitable for burns and open post-operative wounds—Stockholm, Nov. 28.

UNITED STATES

Fish Landings Lower—Landings of fishery products at Boston, Gloucester, New Bedford and on Cape Cod during 1952 amounted to 504,691,091 pounds, a decrease of 42,918,043 pounds, or 8 per cent, compared with 1951. Ocean perch landings amounted to 128,561,008 pounds and accounted for 25 per cent of the total. Receipts of this species during 1951 were 184,366,297 pounds—Boston, Dec. 9.

Israel's Fish Problem

Israel's young fishing industry provides only one-third of the fish consumed in the country; severely restricted imports come principally from soft currency sources.

ATHENS—Less fish is being eaten in Israel today; in fact, consumption has dropped from 45 to 32 lb. per capita a year—a total of 22,352 tons. Several factors have a bearing on this. Import restrictions are severe and as long as Israel's balance of payments problems remain acute, there is little likelihood of a more liberal policy. At present, Israel buys her fish from soft currency countries and excludes Canadian fishery products almost completely. Then there is the matter of price; imported fish sell at higher prices because of changes in exchange rates. Smaller local fish production because of poor deep-sea catches, food rationing, and a population swelled by continuing immigration are additional problems involving the fish supply.

The Local Industry

Israel's fishing industry had to be built up almost from scratch following the founding of the State in 1948. It has developed steadily but is still able to supply only one-third of the fish consumed. Fishing has been carried on in this part of the world for centuries by the Arabs, using primitive methods and equipment. Jewish settlers were new to it and needed training, given initially by qualified Italian instructors. The industry now includes lake and river, pond, coastal and deep-sea fishing, and uses a fleet of 350 vessels and barges. These include many modern vessels equipped with echo-sounders acquired from the United States under the grant-in-aid program, and strings of barges drawn by motor boats and connected by radio telephone to a central shore station of the Ministry of Agriculture. Some 1,360 fishermen are now established in the various settlements surrounding the lakes or along the coast.

Paralleling the expansion in the fishing industry, new harbours have been set up at various points, including Kinneret and Huleh, and a permanent base, especially adapted to harbouring fishing vessels, has been erected at Mikhmoret settlement. Other ports are being built in Western Galilee and Elath and the latter has a fishermen's settlement. The experimental fishing station has moved to more suitable and modern premises at Caesarea closer to the fishing area, and experiments are being made with Mediterranean and Lake Kinneret (Sea of Galilee) species. Fishing with explosives, practised for decades in this part of the world, has been prohibited. The port of Haifa is considered unsuitable as a fishing harbour because of its distance from the fishing grounds and lack of special accommodation. Tel-Aviv is also rated unfit because its waters are shallow and there is considerable congestion.

Despite the substantial expansion of the fleet in both vessels and manpower, the total catch in 1952 from all branches was down by 1,125 tons to 7,633 tons, compared with 1951.

Lake and River—Lake fishing is done mainly in the 171-square-kilometre Sea of Galilee and the yield in 1952 was 953 tons, compared with 687 tons in '51. Smaller but increased catches in Lake Huleh and the River Jordan brought the total to 1,130 tons.

Pond—This branch of fishing yielded 4,161 tons which approximated the 1951 catch. It is not likely that pond fishing will expand because it is uneconomic and prices for the imported feedingstuff required are high.

Coastal—The 2,009-ton catch by trawlers and surface fishing represented a 100 per cent increase over the 1951 season. Fishing further off-shore, up to 250 fathoms and with modern equipment, was largely responsible for this improvement.

Deep-Sea—The results of this branch of the industry were disappointing after the noteworthy achievements of 1951 with new equipment—two modern trawlers and a refrigerated transport. The catch dropped from 1,500 tons in 1951 to 300 tons in 1952. The failure of this undertaking, begun with such high hopes, has been attributed to various internal and external factors. For deep-sea fishing Israel uses motor fishing boats of 600 tons and the catch is made in international waters of the North Sea and the coastal waters of Iceland and French Morocco.

Imports of Fish

The bulk of the fish imported during 1952 was frozen cod fillet; Denmark was the main supplying country and Haifa the main port of entry. The table below shows a breakdown of imports by country, type, and quantity for the twelve months ending September 1952:

Source	Fish in Brine	Dried and Smoked	Frozen Fish	Canned Fish	Total by Country
Denmark	800	...	4,094	24	4,918
Norway	....	...	2,237	270	2,507
Netherlands	1,544	...	883	....	2,427
United Kingdom	770	...	842	45	1,657
South Africa	....	247	452	554	1,253
Iceland	....	...	876	....	876
Turkey	....	...	576	....	576
Others	23	14	90	380	507
Total	3,137	261	10,050	1,273	14,721

Though down by over 4,000 tons a year from recent levels, these fish imports followed closely the pattern of the previous year and almost all of them came from soft currency sources. Generous credit terms, complicated barter deals, and bilateral trade and clearing agreements were the media through which Israel obtained fish from these non-dollar sources.

With the conditions prevailing in Israel today, there is little opportunity for sales of Canadian fish and fish products. Because of Israel's precarious international balance of payments position, exports cover less than 25 per cent of the cost of imports and she must buy from non-dollar sources whenever possible. Small token shipments of canned salmon have been the only Canadian fish exports to Israel since 1950. Resumption of Canadian fish exports depends on an improvement in Israel's general economic and trade position.

—H. W. Richardson
Commercial Secretary for Canada

Trade and Tariff Regulations

CEYLON

Import Controls Announced—By Import Control Notice No. 29/53, published in the *Gazette Extraordinary* of November 26, the Government of Ceylon has announced changes in its import control policy for the year which began July 1, 1953.

Ceylon's import program provides for seven Open General Licences, of which Nos. 2 and 3 apply to Canada and other dollar countries, and for five schedules of goods to be imported under individual licence, of which two apply to dollar countries.

Under Open General Licence No. 2, some 165 types of commodities could be imported from the dollar area without an individual import licence. According to the new Import Control Notice, the following additional commodities are now placed under Open General Licence No. 2: pig iron and iron and steel castings and forgings in the rough; iron and steel mill products, railway materials, tanks and drums; brass and copper manufactures; lead products; tin and manufactures of tin; zinc, unwrought and wrought and unspecified manufactures; white metal alloys, unwrought; other metals, unwrought and wrought; electric wire and cables; sulphur and sulphuric acid; printing paper; newsprint; rail vehicles and parts thereof.

Open General Licence No. 3 continues to admit imports of beef and mutton, frozen, tinned or preserved, from Canada, the United States and most other countries, but no longer extends to bacon, ham, and some other pig products, butter, cheese, and edible animal oils and fats.

The revised schedule of goods which may be imported under individual licence from any source includes: unspecified grain; skimmed milk; onions; seeds for foods; diamonds; seeds for extracting oil; sulphate of ammonia; tinplate; medicated soap; unspecified rubber manufactures.

The schedule of goods which may be imported under individual licence from dollar sources now includes the following: prepared cereal foods; fruits, fresh, dried or otherwise preserved; vegetables, preserved or tinned; unmanufactured tobacco; linseed oil; specified glass manufactures; unspecified manufactures of iron and steel; unspecified manufactures of brass and copper; razor blades and other cutlery; clocks and watches and parts; photographic instruments,

appliances and apparatus; wireless goods and apparatus; domestic refrigerators; specified textile materials, manufactures and apparel; unspecified oils, fats and resins; motor cars; small arms and parts and accessories; imitation jewellery and haberdashery; musical instruments and parts; gramophones and phonographs and parts; stationery and liquid ink; unspecified manufactured goods.

The items listed above are among the more important to Canada. Further details are available from the International Trade Relations Branch, Department of Trade and Commerce.

PAKISTAN

New Import Policy Announced—The Canadian Commercial Secretary at Karachi advises that the new import policy of Pakistan for the first half of 1954 was announced on December 18. There appears to be little change from the previous licensing period.

The list of items which may be imported from the dollar area are as follows: books; magazines; drugs; medicines; antibiotics; carbon black; electro medical apparatus and parts; dry batteries; domestic refrigerator parts; typewriters; office machines and parts; textile machinery; humidification and air conditioning plants; marine diesel engines; automotive engines and parts; fuel injection equipment; electric generators and alternators and parts; printing machinery, type, and parts; machinery and millwork and parts; brake fluid; lubricating oil and greases; petrol; tires and tubes; synthetic rubber; fountain pens; aeroplanes and parts; completely knocked down trucks and buses; fourwheel drive trucks; automobile parts and accessories; gelatine capsules; power pumps; tractors and mechanical farm equipment and parts; earth-moving machinery.

SURINAM

Import Restrictions Revised—The authorities of Surinam have recently revised their short lists of prohibited imports and of goods subject to import quotas. They will, however, continue to grant import licences freely for goods not included in these two lists.

The following changes are of possible interest to Canadian exporters. Wheat flour has been made subject to a quota of 5,000 metric tons for one year ending July 31, 1954. This measure is said to result from Surinam's obligations under the International Wheat Agreement. Fresh and frozen meat and matches, which had been included in the prohibited list, are now admitted under a quota. Honey, bran and fresh fruits have been removed from the prohibited list and may now be imported freely.

Imports of macaroni, lumber and wares of precious metals continue to be prohibited. Moreover, clothing, certain footwear and fireworks remain under quota—Port-of-Spain, December 11.

Information concerning individual goods on the prohibited and quota lists may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

A report on the import system of Surinam was published in "Foreign Trade" of January 17, 1953, page 17—Editor.

UNITED STATES

Request for Tariff Action on Mustard Seed Rejected—The U.S. Tariff Commission announced today that it had found no basis for "escape clause" action on the application by the domestic growers of mustard seed for relief under section 7 of the Trade Agreements Extension Act of 1951. Therefore, no recommendation was made to the White House for withdrawal or modification of concessions granted under the General Agreement on Tariffs and Trade—Washington, Dec. 16.

Investigation into Imports of Rye—The following notice has been issued by the U.S. Tariff Commission:

"*Investigation instituted*—By direction of the President, dated December 9, 1953, the United States Tariff Commission, on the 11th day of December 1953, instituted, and hereby gives notice of, an investigation under section 22 of the Agricultural Adjustment Act, as amended, and Executive Order No. 7233 of November 23, 1935, for the purpose of determining whether RYE, RYE FLOUR, AND RYE MEAL are being, or are practically certain to be, imported into the United States under such conditions and in such quantities as to render or tend to render ineffective or materially interfere with the price-support program for rye undertaken by the United States Department of Agriculture pursuant to sections 301 and 401 of the Agricultural Adjustment Act of 1949, as amended, or to reduce substantially the amount of products processed in the United States from domestic rye."

The notice states further that a hearing will be held in the Tariff Commission Building, Washington, on January 12th, 1954, and that interested parties desiring to appear should notify the Secretary of the Commission in writing at its offices in Washington.

Data for Exporters

The International Trade Relations Branch of the Department of Trade and Commerce has prepared bulletins covering shipping documents and customs regulations of the following countries: Austria, Belgium, Belgian Congo, Brazil, Chile, Colombia, Cuba, Denmark, Dominican Republic, Egypt, Finland, France, Western Germany, Greece, Guatemala, Haiti, Iceland, Indonesia, Israel, Italy, Mexico, Netherlands, Netherlands Antilles, Norway, Panama, Peru, Surinam (Netherlands Guiana), Sweden, Switzerland and Venezuela.

If you wish copies, write to the Branch. Data on other countries will be compiled from time to time and will be added to this list.

Foreign Exchange Rates

The following nominal quotations may prove useful in checking prices. Canadian traders should consult their banks before making any firm commitments.

Conversion into Canadian dollars have been made at cross rates with sterling or the United States dollar on the date shown.

Except when buying and selling rates are specified, the mid rates only are quoted. The buying rate is that at which banks purchase exchange from exporters. The selling rate is that at which banks sell exchange to importers.

When several rates are indicated, the rate applicable depends on the commodity traded. Information on the rate for any specific commodity may be obtained from the International Trade Relations Branch, Department of Trade and Commerce, Ottawa.

Rates used exclusively in non-merchandise trading are *not* included in the table.

For conversion to United States dollar equivalents multiply by 1·02926.

Country	*Unit*	*Type of Exchange*	*Canadian dollar equiv. Dec. 16*	*Notes (See below)*
Argentina	Peso	Preferential buying	·1295	
		Basic buying	·1943	
		Preferential selling	·1943	(1)
		Basic selling	·1295	
		Free	·06994	
Austria	Schilling		·03737	
Australia	Pound		2·1855	
Belgium Luxembourg & Belgian Dependencies	Franc		·01949	
Bolivia	Boliviano	Official	·00511	
British West Indies	Dollar		·5691	(3)
	Pound		2·7319	(4)
	Dollar	Brit. Honduras	·6829	
Brazil	Cruzeiro	Official selling	·05162	tax 8%
		Effective buying	·03426	(2)
		Coffee buying	·04159	(5)
Burma	Kyat		·2040	
Ceylon	Rupee		·2049	
Chile	Peso	Official	·00883	
Colombia	Peso	Basic	·3886	
Costa Rica	Colon	Official	·1730	(6)
		Controlled free	·1463	*
Cuba	Peso		·9716	tax 2%
Czechoslovakia	Koruna		·1349	
Denmark	Krone		·1407	
Dominican Republic	Peso		·9716	
Ecuador	Sucre	Official	·06477	(7)
		Free	·05590	
Egypt	Pound		2·7899	
Fiji	Pound		2·4611	
Finland	Markka		·00422	
France	Franc		·00278	
French Africa	Franc		·00555	
French Pacific	Franc		·01527	
Germany	D Mark		·2313	
Greece	Drachma		·000032	
Guatemala	Quetzal		·9716	
Haiti	Gourde		·1943	
Honduras	Lempira		·4858	
Hong Kong	Dollar	Free	·1643	*Dec. 4
Iceland	Krona	Official	·05966	
		Special buying	·04593	
		Special selling	·03701	
India	Rupee		·2049	
Indonesia	Rupiah	Basic	·08522	(8)
		Dollar certificate	·00183	*

* Latest available quotation date.

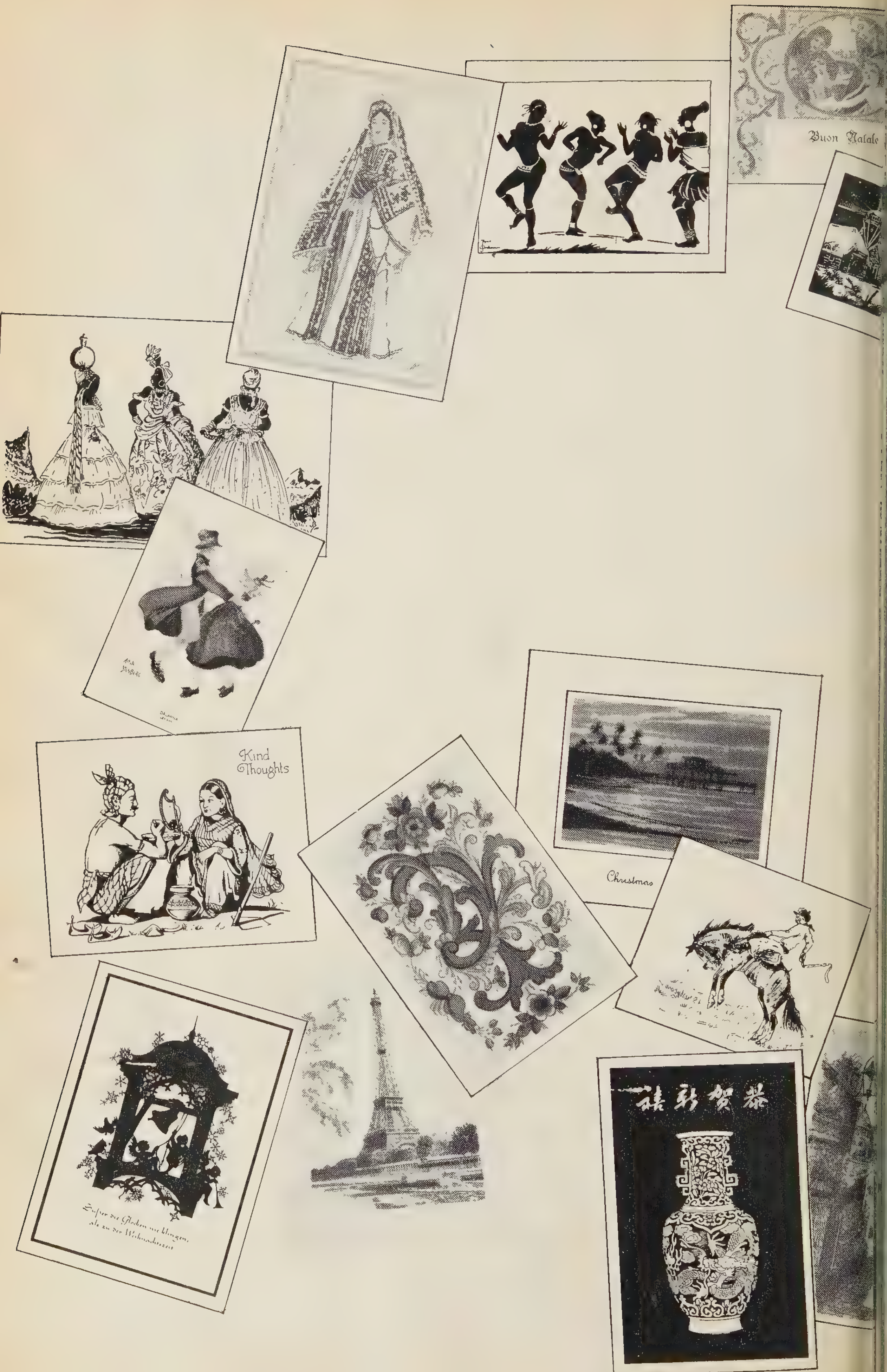
Country	Unit	Type of Exchange	Canadian dollar equiv. Dec. 16	Notes (See below)
Iran	Rial	Official	·03012	*
		Certificate	·01009	*
Iraq	Dinar		2·7204	
Ireland	Pound		2·7319	
Israel	Pound	Basic	2·7204	
		Investment	·9716	(9)
Italy	Lira		·00156	
Japan	Yen		·00270	
Lebanon	Pound	Free	·2994	
Mexico	Peso		·1123	
Netherlands	Guilder		·2557	
Netherlands Antilles	Guilder		·5152	
New Zealand	Pound		2·7319	
Nicaragua	Cordoba	Effective buying	·1472	(10)
		Offical selling	·1378	
		With Surcharge I	·1206	
		With Surcharge II	·09667	
Norway	Krone		·1360	
Pakistan	Rupee		·2937	
Panama	Balboa		·9716	
Paraguay	Guarani	Basic	·06477	(1)
		With Surcharge I	·04626	(11)
		With Surcharge II	·03238	
Peru	Sol	Certificate	·05209	
Philippines	Peso		·4858	tax 17% (2)
Portugal	Escudo		·03391	
El Salvador	Colon		·3886	
Singapore & Malaya	Straits dollar		·3187	
South Africa (Union of)	Pound		2·7319	
Spain & Dependencies	Peseta	Basic buying	·04436	
		Basic selling	·08659	
		Basic commercial selling	·05915	(1)
		Free	·02494	
Sweden	Krona		·1878	
Switzerland	Franc		·2265	
Syria	Pound	Free	·2735	*Nov. 16
Thailand	Baht	Official	·07772	(1)
		Free	·04691	*Oct. 30
Turkey	Lira		·3470	
United Kingdom	Pound		2·7319	
United States	Dollar		·9716	
Uruguay	Peso	Official	·6396	
		Basic buying	·5458	
		Special buying	·4134	(1)
		Basic selling	·5113	
		Special selling	·3965	
Venezuela	Bolivar		·2900	(12)
Yugoslavia	Dinar		·00324	

* Latest available quotation date.

NOTES

1. Additional rates are in effect for specified goods.
2. Tax affects selling (import) rates only.
3. Barbados, Trinidad, Tobago, Leeward and Windward Is., Brit. Guiana.
4. Bahamas, Bermuda, Jamaica.
5. Brazil: Effective import rate is official rate plus free certificate rate. Certificate rate varies according to commodity.
6. Costa Rica: Official rate applies to all Costa Rican exports.
7. Ecuador; Exchange surcharges of 33 per cent and 44 per cent apply to imports of less essential and luxury items respectively.
8. Indonesia: Effective buying rate is basic plus 70 per cent of dollar certificate rate. Rupiah value for other than essential imports is reduced by $33\frac{1}{3}$ per cent, 100 per cent or 200 per cent depending on product. Cost of all dollar imports is increased by full amount of certificate rate.
9. Israel: An additional effective rate of 1·80 Israeli pounds to United States dollar for a wide range of imports and exports results from the use of a system of exchange premiums.
10. Nicaragua: Effective buying rate applies to all Nicaraguan exports.
11. Paraguay: Basic rate applies to most Paraguayan exports.
12. Venezuela: There are special rates for exports of petroleum, cocoa and coffee.

For additional explanatory notes see *Foreign Trade* of October 11, 1952.


Buon Natale
Kind Thoughts
Christmas
恭贺新禧
Süßer die Glocken nie klingen,
als zu der Weihnachtszeit